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SOCIAL MIX IN
CENTRAL POST-REFORM SHANGHAI

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Declaration

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Abstract

Social mix can be observed in many post-reform Chinese cities, yet the topic has so far remained scarcely researched. Using central Shanghai as a focus, this research asks how socially mixed neighbourhoods have emerged, what is their internal structure, and how have locally-based social interactions been affected by the emergence of social mix.

Based on a neighbourhood of 5 housing estates and other relevant examples, this study shows that mixed neighbourhoods have emerged from an unplanned and uncoordinated interplay among new market-driven commodity housing developments, counter-market retention mechanisms on traditional estates, government-led socially-orientated housing projects, residents' resistance to redevelopment, and the lingering socialist legacy of welfare housing and unclear property rights. Significant differences were found in residents' socio-economic attributes, living conditions, tenure and housing expenditure between the traditional, new middle-income, and new upmarket housing.

The process of housing redevelopment and the creation of social mix have diminished locally-based social interactions. Residents' intra-estate interaction is the strongest in traditional estates, lower in the middle-income estate and minimal in upmarket estates. The level of inter-estate interaction in the mixed neighbourhood is weak. The emergence of social mix has brought about a divergence in lifestyles and lifeworlds among the changed set of residents, which is reflected in the spheres of mobility, residential stability, shopping, and children's education. The level of inter-estate interaction has reduced from the past when the neighbourhood was more socially homogenous.

Findings suggest that social mix and a weakening of local social interaction will likely continue, and these will demand more scrutiny considering China's development agenda on social harmony. Findings here concur with Western studies on mixed communities that social mix does not lead to social mixing. New policies and programmes to foster social interaction should be explored.

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List of abbreviations

CC	City Castel Estate
CCP	Chinese Communist Party
FDI	Foreign Direct Investment
HFXQ	Heng Feng Xiao Qu Estate
HAFI	Housing Amenities Fulfilment Initiative – a housing renewal programme (1991-2000)
HMC	Housing Management Company
ILC	International Landoll City Estate
JPDC	Jing'an Property Development Company – developer of XFKL estate
LUR	Land Use Right
NRRI	New Round Redevelopment Initiative – a housing renewal programme (2001-2005)
RC	Resident Committee
SEA	Social Exchange Agency
SILPC	Shanghai International Landoll Property Company – developer of ILC estate
SMG	Shanghai Municipal Government
SOE	State-owned Enterprise
SSB	Shanghai Statistical Bureau
SYJREC	Shanghai Yuanzhong Jing'an Real Estate Company – developer of CC estate
XFKL	Xing Fu Kang Li Estate
XYC	Xin Yuan Cun Estate
ZHXC	Zhong Hua Xing Cun Estate

1 Introduction

1.1 The phenomena: social mix and social mixing

This study treats social mix as the sum of 2 integral components: patterns in which different people live in a geographical area (i.e. in a neighbourhood), and how these people interact with each other (i.e. social mixing). The two are generally treated separately in research. However they are fundamentally interrelated, as the pattern of social mix may influence social mixing: without mix there can be no mixing but the mere existence of mix is no guarantee that mixing takes place.

Since the Chinese Open Door policy had been enacted in 1978, the social pattern of central Shanghai had undergone drastic changes and the settings where locally-based social interaction take place has equally been significantly altered. This thesis attempts to understand these changes in the period after the 1990s large scale urban development.

1.1.1 Transformations in Shanghai's social pattern

In socialist China, neighbourhoods in urban Shanghai were rather homogenous. The egalitarian regime had ensured minimal wage difference among urban residents. Social classes had been abolished to create a classless society. The country's welfare housing system contained two sources of urban housing: municipal housing and work-unit housing. 'Municipal housing' is managed by the Housing Bureau, and is allocated to residents without an affiliated work-unit. The egalitarian system ensured little income variation among these residents.¹ The alternative 'work-unit housing' is allocated by work-units to their own workers, which generally ensured that workers of the same unit would live in the

¹ In socialist China, housing conditions can vary pending on the person's rank and years of service in the work-units and the status and power of the affiliated work-unit. Because of the egalitarian regime, inequality in socialist China relates more to housing quality than income.

same housing estates or compounds (Wang and Murie, 1996; Wu, 1996). Therefore social areas did exist in socialist China, but they were related more to work rather than income. For example, in socialist Guangzhou, academics had been found to live around schools and workers by factories (Yeh *et al.* 1995). There were no mixed income neighbourhoods to speak of in socialist China.

Since the Open Door Policy of 1978, foreign companies had been encouraged to invest in China. The monumental policy shift brought to China ex-pat workers and new demands for urban housing which had not been seen in the country since 1949. During the late 1980s, the reforms deepened and urban land and housing were subsequently commodified. The newly created possibility to trade and profit from these commodities led to an unprecedented level of investment into urban development since 1990. The government used aggressive urban renewal programmes, which capitalised on the profit-making potential generated from redevelopment, to drastically demolish slums and redevelop dilapidated traditional housing, whilst factories were relocated to the cities' outskirts, and key urban infrastructure were added to modernise cities. The development of modern, upmarket housing which caters for foreign ex-pat workers, overseas Chinese, and China's emergent middle classes and elites mushroomed across the city centre and suburbs. The process of uneven development has broken the previous social homogeneity of central neighbourhoods in a short space of time, and resulted in many neighbourhoods where traditional housing (and poorer residents) is juxtaposed against luxury housing development (and wealthier residents) (W. Wu, 1999). These mixed neighbourhoods in the centre of Shanghai form the focus of this study.

This type of residential mosaic can be widely observed in the large coastal cities in China (Ma, 2004), and has been often noted in Shanghai (W. Wu, 1999; Huang, 2006a). However, until now, little attention had been paid to explore their emergence. The existing explanation on the mixed residential pattern in Shanghai has so far only focused on site characteristics of plots and their profit making potential for redevelopment. However, since market forces have become increasingly significant in urban development in China since 1990, and

a market based housing allocation system has been established since 1998 (Wu *et al.* 2007), mechanisms involved in the socio-spatial differentiation in the West could now potentially offer clues to other undocumented mechanisms generating socially-mixed neighbourhoods in post-reform Shanghai.

In addition, the concept of path dependency could also be important here. To varying extents, the social geography of cities has always evolved according to path dependency. The concept means that each city has been laid down by successive waves of development, often with varying political or economic context, and these histories typically produce some segregation and some mixing as each historical period unfolds to the next. The crux of the concept is that 'history matters' in each locality. The concept has also been found to apply well to cities undergoing post-socialist transition in Eastern Europe (Andruz *et al.* 1996; Sailer-Fleige, 1999), where the 'antecedent' conditions of a city have been found to influence the present form of development (Dingsdale, 1999). We should expect something similar to be found in Shanghai, where its past legacy influences its current socio-spatial transformations.

1.1.2 Transformations in Shanghai's locally-based social interaction

Prior to the reforms, the socialist regime in China also produced a unique milieu for locally-based social interaction. The socialist doctrine placed an emphasis on the collective ideal, where the masses make collective sacrifices for the greater good under the leadership of the party cadres. Ideological cultivation used to engineer a collective identity through numerous activities and programmes would often diminish the workers' time for personal pursuits (Friedmann, 2005). The home/work relationship under the socialist housing system had placed many workers in long durations of contact. Housing access through state or work-unit allocation, which was mostly conducted in the context of severe housing shortage, produced relatively strong stability in urban residential patterns. Strong control of rural to urban migration also helped to maintain this residential stability. Limited access to transportation and telecommunication technology often restricted workers' lifeworlds to his/her

neighbourhood, drastically reducing chances for extra-neighbourhood social relations to be generated or maintained. Severe facilities shortage in urban housing also meant that the sharing of amenities among neighbours was generally a necessity. Sharing of cooking, washing and other facilities always had to be negotiated among sharers. Space shortage in dwellings had led to public spaces in housing estates/compounds to be adopted by residents as extensions of one's home, where neighbours hang out.² The material shortage in everyday lives helped to create an environment where mutual assistances among neighbours became an important coping strategy. Therefore, under the socialist milieu, urban residents were found to have strong social interaction. Mutual bonds, friendship, social companions, help, as well as conflicts had been recorded in the tight living arrangements of residing in *lilong* and workers' apartments (Whyte and Parish, 1984).³

Since the reforms, the pre-reform era milieu for locally-based social interaction changed significantly. The ideology cultivation still exists, but has been greatly relaxed from the period of the Cultural Revolution. The Economic Reform had led to the re-emergence of social classes and increasing social inequality among the population. The influx of foreigners, overseas Chinese and migrant workers from rural China into large urban centres has changed the social and cultural make-up of urban neighbourhoods. The housing reform had led to the abolition of the old socialist live/work relationship, and the establishment of a market-based urban housing system. Income now plays a key part in housing mobility, accessibility and housing choice (Wu, 2004; Huang, 2005). The residential stability of the past has been greatly weakened. The renewal of old housing and their replacement by new commodity housing have removed the previous shortage of facilities in dwellings, and diminished the need for neighbours to share amenities in new housing estates. These substantial changes in the social patterns and living arrangements in the post-reform period is likely to have caused great transformations in the social dynamics among

² Although there is an already a tradition of this in Shanghai which existed before the socialist period. In the early 20th century, residents in Shanghai's *lilong* estates already enjoyed strong neighbourly interaction and would often use the alleyways within estates as places to mingle and socialise (Lu, 1999; Zhao, 2004)

³ *Lilong* houses are the most common type of traditional housing in Shanghai. They were built in large numbers between the 1850s and 1930s (Lü *et al.* 2001)

urban residents.

To date, there have been very few studies on locally-based social interaction in post-reform China. There is a limited amount of research on intra-estate social interaction, i.e. social interaction between neighbours living in the same estate (Wang, 2002; Wu and He, 2005; Forrest and Yip, 2007). These studies all explored housing estates where the socio-economic make-up of residents is rather homogenous. Although they have laid the foundation for the exploration into this scarcely researched area and offered some initial insights into the social behaviour of residents between old and new housing areas, the various behavioural attributes measured by authors does not allow a systematic comparison of the degree of social interaction between different types of housing estates. Consequently, we are still yet to have a good understanding of the intra-estate social interaction in the different emerging housing estates in China's post-reform urban centres. Moreover, the dimension of inter-estate social interaction (i.e. social interaction among residents of adjacent housing estates) is yet to be explored. This thesis aims to take a pioneering investigation into this area.

1.1.3 Definitions of a mixed neighbourhood

The dimensions along which social mixing (or segregation, its antithesis) is discussed in the literature vary according to the culture concerned and the interest of the writers. Economic variation is the most common European and North American preoccupation. Tenure (which is easily measured, and can be controlled) tends to be highly correlated with economic position in some countries (e.g. UK and US), and therefore it is much used as a proxy.⁴ In North America and South Africa, economic/class segregation became so much associated with black/white segregation that colour/ethnic mix is a big preoccupation and may, for many people, be almost the only economic variable they think about (see Massey and Denton, 1993). Sometimes, it may be

⁴ In some countries, there is not so much correlation between economic position and tenure e.g. Switzerland.

religions which cause the segregation (e.g. between different versions of the Christian religion in Northern Ireland, see Peach, 1996).

The following are some of the more common definitions of mixed neighbourhood/communities used in Western societies. Jupp (1999: 9) defined mixed communities as “areas with an economically diverse population.” For Arthurson (2007: 1) “... social mix refers to... neighbourhoods with a blend of residents from across a diverse range of income levels and housing tenure types.” According to Tunstall and Fenton (2006: 8) “a place may also be mixed in terms of the people who live there, by their social characteristics and attitudes. Dimensions of social mix that have been researched and that policy has tried to affect include income, employment status, age, ethnicity and household types – such as size and whether the household has children. Less commonly, research and policy have also been concerned with the spatial mixing of genders, religions and people of different physical abilities”. The terms ‘mixed tenure, mixed income’ and ‘mixed community’ are often used interchangeably in research and policy literature (DETR, 1999; Tunstall and Fenton, 2006).⁵

In this research, the term ‘mixed neighbourhood’ is used to describe neighbourhoods which are heterogeneous in terms of residents’ income and physical housing conditions. These differences may encompass further variations in residents’ socio-economic attributes, tenure, living conditions, and social behaviours towards neighbours.⁶

1.1.4 A personal note: the author and motivations for the research

Being trained and having practiced as an architect, my experiences with cities

⁵ The antithesis of social mix is social segregation, and it is usually measured along the same attributes. For example, “... the concept of segregation refers to spatial distinctions and the spatial separation of different population or demographic categories. With regard to people, the segregation and exclusion debate usually focuses on socio-economic distinctions, on ethnic distinctions and, albeit infrequently, on household type or other demographic distinctions” (Musterd and Ostendorf, 2005: 171).

⁶ The ethnic dimension has generally not been considered by studies of socio-spatial differentiation in China because ethnic minorities do not make up enough population to constitute social areas, especially in coastal cities like Shanghai (Y. Huang, 2005; Li and Wu, 2008). However, several ethnic enclaves have been documented such as congregations of migrants from the same clan/village in urban centres (see Dutton, 1998).

have predominantly involved their 'hardware', that is to say the physical stock of cities. It is a very interesting profession, but we are often out of touch with the processes that lead to the commission of the work, and how the end user operate and interact with our work after their completion. As a profession working on environments for people, I found myself agonisingly out-of-touch with the pulse of cities. The decision to do a PhD is a desire to explore the city's 'software', the forces and mechanisms that led to the materialisation of the hardware, so I can understand how things happen as they are, and explore how the people and users operate and behave in space. As such, the endeavour is to improve my skill sets, which will help me to engage in dialogues with planners, and be more in touch with the people who I serve, the residents.

Having been born in Taiwan, and raised in New Zealand, my first experience with Shanghai was in 2001, after my graduation from university. The visit was part 'tracing the roots' as my grandmother and father were born in the city, part fascination with the reported hype about the city's development. During the trip, I was awe struck by the enormity of development. More importantly, visiting through the city centre brought me to witness the striking and often awkward contrasts between the old dilapidated housing and new luxury housing, which eventually sowed the seed for this research when I decided to pursue a doctoral research later on.

Due to my education background, I had little contact with the literature in planning, geography and sociology prior to this research. Although I have tried to familiarise myself with these new literature and 'different' ways of thinking about the city, traces of my architectural background are still embedded in this research. This is evident in the combined exploration of the processes and social aspects of urban change with a strong physical and spatial focus, which is rare in planning literature. This is also reflected in my interpretation of data, which adopts a qualitative interpretation of quantitative data.

Another consequence of my background is that the main intention for the thesis is not about policy analysis or theory building. Instead, I adopt the perspective

of a 'curious observer', who has set out to find out what is 'happening' in Shanghai to the issues central to this thesis. Therefore the goal is more fact finding in nature. However, relevant theories and phenomena (with a majority being developed in the West) have been critically and tentatively tested in the research's context of Shanghai.

Lastly, a benefit from my background is that I am fluent in Mandarin. This had helped immensely with communicating with people in Shanghai. It also means that I could consult Chinese literature with relative ease. However, having been brought up overseas and being a Taiwanese had also caused some difficulties in conducting research in Shanghai. The Chinese society is heavily based on networks of personal relations called '*guanxi*'. Although my family have some social ties to the city, I had no access to the social resources relevant to this research. New contacts with key people had to be generated almost entirely from scratch. This involved an intense acclimatisation process regarding the bureaucracy of various governmental institutions in China, and the different culture and rules of operation in the everyday lives of the Chinese people. Furthermore, the on-going political tension between China and Taiwan had sometimes affected the fieldwork. Even though the presence of Taiwanese people had become increasingly common place in Shanghai in recent years, a number of resident committees and residents had displayed distrust and distance because of my origin. However, I should stress that most of the people I encountered during the research had been friendly and helpful. A few of the initially 'difficult' people also became more open as a sense of familiarity developed due to my repeated visits.

1.2 Research questions and hypotheses

At present, China does not have a social mix policy on development. However, a degree of social mix characterises many parts of city centres in China's coastal cities (Ma, 2004; Y. Huang, 2005).

According to Laurence Ma (2004: 249):

“... housing areas of different quality in Chinese cities tend to be more mixed in spatial distribution. Such heterogeneity in housing space is evident whether it is examined at the level of the city as a whole or at the level of urban districts. It is not unusual to see a high quality housing area located near a low-quality area, and within the same neighbourhood newly constructed high-rise apartment buildings may be randomly located among patches of dilapidated old housing.”

A similar observation was made on Shanghai:

“High relocation costs have also led to many instances of awkward juxtaposition of flashy, high-rise commercial buildings and dilapidated, pre-1949 apartment buildings in the central city of Shanghai.” (W. Wu, 1999: 212)

In post-reform China, the quality of housing has become a good proxy for residential wealth (Li and Wu, 2008). After the housing reform, a market-based housing allocation system has been established, and families with better income are able to access better housing in terms of location and quality.⁷ In contrast, poorer households are generally trapped in government or so-called ‘workers enclaves’, which are characterised by Shanghai’s traditional housing forms (e.g. pre-1949 housing and workers’ apartments). These are often in dilapidated conditions (Li and Wu, 2008). The mosaic of these different housing therefore embeds a degree of social-economic mix.

But the current mode of urban development, in theory, should leave little opportunities for social mix to occur. Beginning in the late 1980s, and increasingly after the 1990s, the state has adopted a property-led approach to urban renewal. It has used incentives of real estate development to attract private investment into urban development (Yeh and Wu, 1996; Zhu, 2002, 2004; He and Wu, 2005, 2007). Preferential policies are often offered to

⁷ Others who benefit from the socialist housing allocation system also profit from housing reform, which allow them to sell their (better) old housing and trade for market housing, as opposed to less well-off residents, who due to their affiliation to less powerful work-units, are less able to cash in as handsomely on the market due to their less desirable dwellings (e.g. smaller, less desirable locations etc) (See Logan *et al.* 1999; Y. Huang, 2005)

developers to encourage inner-city renewal in slum demolition and housing reconstruction (Liao and Zhao, 1996; Xu, 2004). The result is a proliferation of upmarket housing and condominiums in prime city locations to serve the new elites (Wu, 2000b; He and Wu, 2005; Wu, 2005; Tian and Wong, 2007). This process is generally accompanied by the large scale relocation of incumbent and often poorer residents from the city centre to the suburbs (Gaubatz, 1999; Wu *et al.* 2007). The scholar Shenjing He (2007, 2009) has even viewed this process as a form of 'state-led' gentrification, whereby the state lays down favourable conditions to foster the development of commodity housing estates, which had led to up-ward changes in the socio-economic make-up of Shanghai's city centre. With the filtering of affordability by new market-based housing, housing estates are becoming more and more socially homogenous within themselves, but the cities are becoming more heterogeneous in nature with pockets of different housing categories (Y. Huang, 2005). This has led to increasingly conspicuous inequality in residents and housing conditions (Li and Wu, 2006a).

So why are there numerous socially-mixed neighbourhoods in the centre of Shanghai? Are there mechanisms, which have not yet been illuminated in literature, preventing its wholesale gentrification?

Furthermore, since no research has yet examined social mix in post-reform China, the internal structure of mixed neighbourhoods has also lacked illumination. What is the degree of inequality that exists in mixed neighbourhoods? We can consider these in terms of residents' demography, socio-economic attributes, living conditions, as well as their housing expenditure and tenure.

Finally, how does this emergent residential pattern affect the locally-based social interaction of residents? How do residents of different socio-economic classes interact with people from their own estate (i.e. intra-estate interaction)? How do residents interact with neighbours of different socio-economic classes from adjacent estates (i.e. inter-estate interaction)?

This research aims to explore these 3 interrelated areas of social mix: generating mechanisms, internal structure, and social interactions among residents. In the remainder of this section, I shall present the current knowledge gaps regarding these queries, and offer some hypotheses to these questions.

Question 1: How are mixed neighbourhoods created in central Shanghai?

Question 1.1 What are the mechanisms generating them?

As mentioned before, existing explanations for the causes of social mix in central Shanghai had so far concentrated on site characteristics. Land parcels which are too irregular in shape, too small, and/or containing excessive residential density in less favourable urban locations had often been bypassed by developers, as these limit the profitability of development and deter developers (Liao and Zhao, 1996; Y. Huang, 2006a). Although this explanation works for several scenarios, it cannot explain the proliferation of commodity housing, or why many existing old housing estates, which are in prime locations with good development potential, have been retained to form mixed neighbourhoods. By focusing solely on site characteristics and their financial implications on development, I believe the existing explanations have ignored three potential aspects which can contribute to Shanghai's socio-spatial pattern: influence of the state and its policies on housing renewal, new market mechanisms in urban development and actions of other human agents in the development process. I will try to elaborate this further in chapter 2.

Question 2: What is the internal structure of a mixed neighbourhood?

Existing neighbourhood studies in post-reform China have so far only examined individual housing estates.⁸ Although these have covered housing estates from several market sectors, the estates are in general socially homogenous in

⁸ Some of these studies are labelled as neighbourhood studies. But their scale is closer to housing estates as most of them are individual fenced estates smaller than a street block. Therefore they are smaller than the scale of neighbourhood adopted in this study.

nature (see Wu and He, 2005; Li and Wu, 2006a; He and Wu, 2007). The goal here is to explore in detail a neighbourhood in a socially mixed context. The aim is to enhance our understanding of this dimension of micro-level socio-spatial differentiation in Shanghai's city centre, which has so far been treated on a descriptive level (W. Wu, 1999). This would also contribute to the existing macro-level understanding of Shanghai's socio-spatial pattern, which has been shown to have a homogenous centre of public rented housing with more varied housing areas in the suburbs (Li and Wu, 2008).⁹

The concurrent analysis of the range of housing categories in the mixed neighbourhood will also improve our understanding of the increasing inequality among urban inhabitants (see Li and Wu, 2006a; Tian and Wong, 2007). Currently, we have an imbalance of knowledge on the social and physical aspects of new commodity housing estates. We already know that residents in traditional estates in post-reform China are usually characterised by low income, low education attainment, and high incidences of elderly and retired residents (Wu and He, 2005; Li and Wu, 2006a; He and Wu, 2007). Their living conditions are generally characterised by dilapidation, amenities shortage and residential crowding (Wu and He, 2005; Chang and Tipple, 2009). In contrast, the knowledge on upmarket gated estates is much weaker. Existing studies had so far mainly focused on suburban communities (Wu, 2005; Giroir, 2006). These have explored the provision of estates' amenities (Wu, 2005), the increased emphasis on security (Wu and Webber, 2004; Wu, 2005), and the strategies in design and marketing to resonate with the cultural tastes of their client niche (Wu, 2006; Giroir, 2006). However, detailed analyses of the socio-economic attributes of these residents and their dwelling conditions have yet to emerge.

Based on the contrasting house prices and housing conditions, I expect to find significant differences among the old, new middle-income and new upmarket estates in the mixed neighbourhood. This should be revealed in the residents' demographic and socio-economic attributes, living conditions, tenure

⁹ New findings will complement existing studies on Shanghai's macro-level socio-spatial differentiation (see Wu, 2002a; Wu and Li, 2005; Li and Wu, 2008).

characteristics, and housing expenditures.

Question 3: What is the degree of locally-based social interaction in the context of a mixed neighbourhood?

This question has 3 constituent parts.

Question 3.1 What are the degrees of intra-estate interaction in the old, new middle-income, and new upmarket estates?

As mentioned in the very beginning of this chapter, locally-based social interaction among neighbours was found to be strong in pre-reform China. However, in post-reform China, recent studies have suggested that processes of urban redevelopment appear to weaken this social interaction (Wu and Hu, 1997; Li, 1998). Within the scarce literature on this area, Yin Wang (2002) in Shanghai, and Forrest and Yip (2007) in Guangzhou had both found stronger social interaction among residents in traditional housing than new commodity housing. Other studies supported this phenomenon. For example, Wu and He (2005) had found in central Nanjing that residents in old traditional estates maintain strong interaction and mutual help. While Zhang *et al.* (2001) had pointed out from a research in Shanghai that the internalisation of amenities in commodity dwellings (as opposed to the compulsory need to share facilities in traditional housing forms) had been a factor in the weakening of social interaction in new dwellings.

So far, the inconsistent use of measurements on intra-estate social interaction in these researches has made comparisons difficult. This research will adopt a consistent framework to measure and compare the social interaction across different housing sectors in a mixed neighbourhood. Based on the existing knowledge, I expect to find much stronger intra-estate social interaction in the old traditional estates than new commodity estates.

Question 3.2 What is the degree of inter-estate social interaction in the

context of a mixed neighbourhood?

Question 3.3 How has it changed since the neighbourhood became more socially mixed?

Another shortcoming of studies on the locally-based social interaction in China is that they have so far only explored intra-estate dynamics. Existing studies have been operating at two opposing ends of the spatial spectrum. First, there are macro-level studies which take on city-wide or district-wide surveys, and report on generalised trends in social dynamics between residents (Tian, 1997; Li, 1998; Zhen, 2000; Miao, 2001; Sun and Lei, 2007). Second, there are micro-level studies which focused on independent estates in isolation (Wang, 2002; Wu and He, 2005; Forrest and Yip, 2007). Because existing studies have all focused on intra-estate social interaction, there is a lack of meso-level studies on areas of social mix, which explore inter-estate social dynamics.

In the context of Shanghai's mixed neighbourhoods, the issue of inter-estate interaction relates to the issue of 'cross-class' social interaction because of the apparent discrepancies in the socio-economic attributes of residents among housing estates.

There is more existing research on this area in the West. According to the literature, the social interaction among individuals is a complex phenomenon, involving a wide range of factors besides residential proximity (Suttles, 1972; Fischer, 1982; Davies and Herbert, 1993). Therefore the emergent socio-economic discrepancies in Shanghai's mixed neighbourhoods are likely to lead to a divergence of residents' lifestyles and lifeworlds. This could diminish the commonality among residents, the likelihood of hanging out in the same places, which ultimately could lead to weak social interaction. For these reasons, I expect to find weak inter-estate social interaction in the mixed neighbourhood, and the emergence of social mix to have led to a weakening of inter-estate social interaction. A more thorough review of the literature on social mixing is provided in Chapter 3. There, the importance of social mix, the factors affecting

the social interaction among people, and existing findings from mixed neighbourhoods in the West will be reviewed, and the justification for this hypothesis will be strengthened.

Contributions to knowledge

In summary, answering these questions will make 3 important contributions to urban research on China. Firstly, the analysis of the internal structure of a mixed neighbourhood is important; as scholars had long contested that real socio-spatial differentiation occurs at the neighbourhood level (Johnston, 1976; Wu, 2002a). The finding will add knowledge to neighbourhood level socio-spatial differentiation in central Shanghai, which until now has been concealed from revelation due to scale limitation in the Census data.¹⁰ Secondly, the analysis of the development mechanisms in mixed neighbourhoods (and internal structure) enhances our understanding of neighbourhood change during the post-reform urban transformation in China. This answers repeated calls by scholars for more neighbourhood studies (Wu and Li, 2005; Li and Wu, 2008). Third, this research represents a pioneering exploration on mixed neighbourhoods. It draws attention to this neglected but important phenomenon, and opens up a new exploration on the inter-estate (cross-class) social interaction of residents in post-reform China.

1.3 Method

1.3.1 Evolution of research

This research was initially prompted by the author's curiosity about the degree of residential social mix observed in central Shanghai. When the research began in 2005, published studies on the socio-spatial differentiation of Shanghai are very limited. This was mainly due to the lack of population data at spatially disaggregated units. In the earliest analysis into this area, Fulong Wu (2002a)

¹⁰ The smallest spatial unit in the Population Census is the sub-district, which is larger than a neighbourhood (Wu and Li, 2005).

had to use data from Shanghai's real estate market as a proxy to illustrate the socio-spatial pattern. Later Fulong Wu and Zigang Li (2005) used data from Shanghai's 1990 Population Census, which is based on the sub-district level. The authors recognised the data deficiency in describing neighbourhood conditions, but in light of the data limitations, confessed that it nevertheless "provide(s) an initial basis for analysis" (p. 149).

Soon after, several relevant studies on China's inner-city neighbourhoods emerged (Wu and He, 2005; Li and Wu, 2006a). These were significant to this research in two ways. Firstly, they showed that self-organised surveys could be conducted in China. This would allow data on residents' socio-economic attributes at the neighbourhood level to be collected. Secondly, the scarcity of neighbourhood studies in China signalled that there was still plenty of room to explore urban neighbourhoods.

Once the research direction has been set, exploration of potential sites for the study began. This involved literature review on known cases of renewal, site visits and talking to local residents. The aim was to understand the backgrounds of different neighbourhoods, observe their outcomes, search for the mechanisms they were affected by, and explore the feasibility of conducting research. Accessibility to data was a key concern, and this involved exploring the willingness to take interviews by relevant developers, longstanding residents, scholars, planners and other documented resources. The procedure and criteria used in selecting the case study neighbourhood will be explained further later on.

Once a neighbourhood was chosen, conversations were conducted with local residents to obtain a deeper understanding of the neighbourhood context. These conversations led to an unexpected area, which was the changing social interaction among residents as a consequence of the changing social pattern in the neighbourhood. Several residents described strong social interaction among neighbours in old *lilong* estates, while few in the medium priced commodity estate did. This intrigued the author about the different degrees of social

interaction in the estates. After a survey of literature on the topic of social interaction in post-reform China, I discovered the scarcity of research. Because these early indications suggested that interaction, a key aspect of traditional living, has been strongly affected by redevelopment, the author decided to expand the research to include this area.

This expansion of research focus also led the author to question the social interactions among residents across adjacent estates. Since the neighbourhood appeared to be a rather homogenous group of residents, the emergence of social mix and the increased socio-economic differences among residents should have some impacts on the dynamics of inter-estate interaction. The literature review on interaction had revealed that this topic has not yet been explored in post-reform China. This placed this research in a good position to contribute to knowledge. At this point, the ambition to study the mechanisms of social mix and the dynamics of social interaction were combined. However, the case study neighbourhood had already been chosen at this point. The selection was based on the criteria to find the most fertile neighbourhood to uncover the mechanisms of social mix (see section 1.3.3). However the two sets of criteria would not have conflicted with each other.

By 2009 the author discovered the software Google Earth, which opened up the possibility to study mixed neighbourhoods from Shanghai's aerial photographs. A method was then devised to identify mixed neighbourhoods using this resource. This addition gave the author an improved macro-level understanding of the spatial distribution and contexts of mixed neighbourhoods in central Shanghai, albeit much later on in the research process. However comparison between the selected neighbourhood and the other identified mixed neighbourhoods has revealed that the selected case was indeed a good representative of the samples. This method and the distribution of neighbourhoods will be discussed further in chapter 4.

1.3.2 Case study approach

Several considerations led the author to the decision to conduct a deep investigation of a single neighbourhood. Firstly, a case study is especially suited to explore the 'how' (and why) questions (Yin, 2009). Secondly, the current lack of neighbourhood study in China means that a thorough investigation of a mixed neighbourhood would expand the current knowledge base. Thirdly, focusing the energy on one case would make the research more feasible considering the man power available to a PhD researcher and the amount of time available in the PhD programme. The biggest challenge to conduct multiple cases is due to the need for and the difficulty involved in conducting population surveys in China. Because the Population Census does not have data at the neighbourhood level, empirical surveys have to be conducted to reveal the extent of social mix in neighbourhoods. However, it was discovered during the early contextual studies that official authorisation must be obtained from the responsible street offices before any surveys are allowed to be conducted. This posed a tremendous problem. Indeed, existing studies which used surveys had all been carried out in collaboration with State research institutions like the Academy of Social Sciences or via actual government funded projects (see Li and Wu, 2006a; Huang, 2006b; Sun and Lei, 2007). The author had tried using official letters of support for the research from Shanghai's Tongji University (itself a high level governmental body in China, and famous in urban planning). But it was not enough to persuade the vital cooperation of several resident committees to help in the surveys.¹¹ Since the author has no links to these state institutions, social connections in relevant government departments became a necessity. The difficulties (and uncertainties) involved in soliciting such help meant that it was more pragmatic to select 1 case, and exert all available energy and social channels to seek a government official, who is willing to help the cause of the research.

1.3.3 Case selection

¹¹ Since non-official surveying is officially forbidden in China, existing research based on empirical surveys were carried out with the cooperation of recognised state research institutions such as local branches of the Academy of Social Sciences (see Wu and He, 2005; Sun and Lei, 2007), or via government appointed research (e.g. Huang, 2006b).

As mentioned earlier, due to the expansion of research interest mid-way through the research, the case selection was based on the criteria to explore the mechanisms generating mixed neighbourhoods.

A neighbourhood must first be defined before the selection can begin. According to literature, a 'neighbourhood' is a complex commodity, and can be defined as "a bundle of spatially based attributes associated with clusters of residences, sometimes in conjunction with other land uses" (Galster, 2001). Others found the term incorporating "a wide range of elements from geographical proximity through physical and social character and organisational features to cognition, common interests and conduct and social relations" (Megan and Mitchell, 2001: 2172). Due to this complexity, it can exist and/or be defined at various spatial scales (see Suttles, 1972; Davies and Herbert, 1993).¹²

This study refers to a neighbourhood at its smallest spatially defined scale, which is known as the 'home area' (Kearns and Parkinson, 2001). This is defined as an area of 5-10 minutes' walk from one's home. The spatial intimacy at this scale implies that "we would expect the psycho-social purposes of neighbourhood to be strongest" (Kearns and Parkinson, 2001).¹³ Moreover, this spatial scale would contain local shops and services for the residents (e.g. such as corner stores, fruit shops, bakery and eateries etc) which represents the daily liveworlds of residents (Healey, 1998). Based on the average adult walking speed of 3 to 4 ft/s, this area entails a spatial boundary of between approximately 0.4 km² and 1.6 km², the smallest of which contains

¹² See Galster (2001) for an overview of various definitions provided by scholars.

¹³ Kearns and Parkinson (2001), based on previous work by Suttles (1972) devised the neighbourhood into three scales. Progressing from small to large, they are the 'home area', the 'locality', and the 'urban district or region'. By using the home area, the usage of the term 'neighbourhood' in this research differs from existing neighbourhood studies on China. Previous studies have used the term to refer to a single housing estate or a residential compound that is related to the Chinese terminology of a *xiaoqu*. The closest translation of this term into English is a 'little district'. However, *xiaoqu* varies in sizes in China. A street block can contain just one *xiaoqu* or several smaller ones. Existing studies have chosen *xiaoqu*'s that are the sizes of an entire street block, which contain about 1,000 households (see Wu and He, 2005; Li and Wu, 2006). But this study regards this scale too small to fit the neighbourhood concept. Therefore it searched for areas that encompass several street blocks containing multiple housing estates (*xiaoqu*), with a population of several thousand households.

approximately 8 to 10 street blocks in central Shanghai.¹⁴

Central Shanghai is commonly defined as the area within the city's inner ring road, an area approximately 80-100km² (Zheng, 1996: 24). Potential neighbourhoods were first sourced by field visits across the city centre with this spatial boundary in mind. Special attention was paid to areas in the historical core (in Jing'an, Luwan, Xuhui, and Huangpu district), areas surrounding the core with juxtaposition of commodity housing and old workers' apartments, and other areas within the spatial boundary with noted urban renewal projects.¹⁵ With a concentration of the old housing stock and being key sites for urban redevelopment since the 1990s, these areas contain the highest chance to find the residential mosaic containing contrasts of the old and new housing (Y. Huang, 2006a; see also chapter 4).

Besides the location and size, several other criteria were used in the selection process. Firstly, in order to find the best case scenario, the neighbourhood had to contain a large range of housing types i.e. commodity housing, 1970/80s workers' apartments and/or old traditional housing built before 1949. Housing mix is used as a proxy to find a variety of socio-economic classes, as traditional estates mainly contain the poor population while commodity estates contain wealthier residents (see Li and Wu, 2006a, 2008). Moreover, the traditional housing forms provide a source of longstanding residents in the neighbourhood. Their recollections of the past provide vital information on the past conditions of the neighbourhood, which are not often documented. Secondly, it had to contain at least one estate developed with the government policy to assist the on-site reallocation of returnee residents (i.e. original residents who were financially assisted to return after redevelopment) such as the HAFI or NRRI renewal programmes (Xu, 2004; see chapter 4 for more details on these programmes). This is important because the research wanted to explore the mechanism of such state intervention and show its effects in the creation of mixed

¹⁴ The average adult walking speed as stated in the Planning and Urban Design Standards by the American Planning Association, see Steiner and Butler, 2007: 280.

¹⁵ Sample projects included Futian Cun and Fukangli in Jing'an district, Land 44 and Lane 303 rehabilitation projects in Luwan district etc.

neighbourhoods. Thirdly, estates in the neighbourhood should preferably already have secondary data published on them. With a shortage of information on neighbourhoods, any existing data provides a better starting point for the investigation. Fourthly, the possibility of obtaining interviews with developers of the commodity estates in the neighbourhood is important. Developers who are willing to disclose information is a key to unlock the processes and mechanisms of development. Table 1-1 summarised the selection criteria.

Table 1- 1 Neighbourhood selection criteria

Neighbourhood attributes	Selection criteria
Location	Within the inner ring road, areas in the historical core (ex-concession), surrounding areas with juxtaposition of old and new housing, and areas of known cases of renewal form priorities of search for the residential mosaic (see W. Wu, 1999; Y. Huang, 2006a).
Size	Neighbourhood with an area approximately between 0.4 and 1.6 km ² (the smallest containing roughly 8-10 street blocks).
Mixture of housing types	Neighbourhood must contain a wide variety of housing estates, including old estates (e.g. <i>shikumen lilong</i> , pre-1949 terraced houses and garden villas, and 1970/80s workers' apartments), to new middle- and high-income commodity estates so that it includes a range of socio-economic classes, living conditions, house prices, tenures, and housing expenditure, which is suspected of mixed neighbourhood in post-reform Shanghai.
Housing renewal programme	Some estates in the neighbourhood must be developed under key housing renewal programmes during the post-reform period in order to illustrate their role in the creation of mixed neighbourhoods and their effects on residents, such as the HAFI (1991-2000) and NRRI (2001-2005) housing renewal programmes (Xu, 2004; Tian and Wong, 2007).
Longstanding residents	Neighbourhood must have longstanding residents, including residents in old estates and returnees in new developments. These residents provide important information regarding the past conditions of the neighbourhood, allowing the study to compare the socio-economic profiles, living conditions and social interaction between the past and present.
Secondary data	Existing literature and secondary data on estates offer good starting points of investigation and enhances feasibility of research.
Cooperation of developers	Cooperation of developers involved in the new estates in the neighbourhoods is crucial to unlock the processes of development. Their decision making processes and responses to housing renewal programmes during the post-1990 period helps to answer why and who they are developed.

In the end, Shimen neighbourhood in the central Jing'an district was chosen. Its wide range of estate types suggested a good case of social mix. Estates in the neighbourhood included upmarket commodity housing, middle-price commodity housing, and a range of traditional housing including the *lilong* houses, pre-

1949 terraced apartments, and 1970s workers' apartment blocks, which are generally associated with lower income residents.¹⁶ The range of estates suggests a spectrum of socio-economic attributes in the residents, and a spectrum of physical living conditions. Several new commodity estates in the neighbourhood were built after 2000 so should be subjected to the NRRI housing renewal policy. Moreover, a middle-price estate, Xing Fukangli (XFKL), has been reported in literature as the result of a government renewal programme to assist the return of original residents. This represents an unreported government-led mechanism in the formation of mixed neighbourhoods. Furthermore, one of the traditional estates appeared to have been preserved for its heritage value. This was a previously unexpected mechanism, and seemed worthwhile to explore further. These factors satisfied the selection criteria for the most fertile scenario to uncover a wide range of mechanisms responsible for socially mixed neighbourhoods.

A new criterion was later added when the study incorporated the ambition to examine social interactions, which is that the housing estates in the neighbourhood must have been completed at least one year before the survey is conducted. This is necessary to allow time for the residents to settle in the estates and develop any potential social relationships with neighbours.

1.3.4 Data sources

Data for this research have been gathered via a mixed methods approach. This includes the use of surveys, casual conversations, semi-structured interviews, direct observation, and published literature (including policy documents, research articles and books, archival information, aerial photographs, maps, and house plans).¹⁷

¹⁶ Although the fieldworks in Shanghai have revealed that these could sometimes contain foreigners or overseas Chinese either as owner-occupiers or tenants.

¹⁷ A mixed methods approach is defined as "a class of research where the researcher mixes or combines quantitative and qualitative research techniques, concepts or language into a single study" (Johnson and Onwuegbuzie, 2007: 17, cited in Yin, 2009: 62-63)

A questionnaire survey was carried out to obtain the demographic and socio-economic data of residents in the neighbourhood. It aimed to gather information on the tenure characteristics, housing specifications, housing expenditure, interactive social behaviour, and indicators of lifestyle and lifeworlds of residents. The method to distribute surveys followed the approach already used by researchers working on neighbourhood studies in post-reform China (see Wu and He, 2005; Li and Wu, 2006a). The author solicited the help from members of Resident Committees (RC), or *jumin weiyuan hui*, in charge of the housing estates to help distribute surveys. The reason, as explained by He and Wu (2007), is that members of RC's have closer ties with residents.¹⁸ Therefore, surveys distributed by them would receive a higher chance of cooperation from the residents. Moreover, this approach represented an economical way to distribute a large number of questionnaires. Proper clearance to conduct surveys was obtained from the local street office (*jiedao banshichu*) via the help from a senior official in the district's planning bureau. The street office then instructed the selected RC's to cooperate with the research. Before the distribution begins, a meeting is arranged with each RC to go over the questionnaire to make sure that distributors have understood the questions, and would be in position to help respondents to interpret questions correctly. Surveys were distributed to between 12 and 15 per cent of residents in each selected housing estate, which aimed to sample (i.e. positive returns) about 10 per cent of residents in each. Since resident lists could not be accessed, distributors were asked to target every 10th household in their estate in order to achieve random sampling. For example, a distributor would target house number 1, 10, 20... and so on. If number 10 was absent, he/she would move on to number 11. Again this was in line with existing research (Wu and He, 2005; Li and Wu, 2006a). Several existing studies (e.g. He and Wu, 2007) had conducted surveys during after-work hours and on weekends to maximise the chances of capturing residents. This was not adopted in this research because several RC's were not overly enthusiastic about their participation. As a

¹⁸ The resident committees pass down party or government messages to residents, and handle the provision of basic social services and organises social events for the residents in their jurisdiction.

compromise to sustain their cooperation in the research, they were informed that such practice would be preferred, but it was not insisted upon.

The survey covered five estates from four adjacent street blocks in Shimen neighbourhood. Together, they contained approximately 4,000 households, or 12,000 residents. Two rounds of surveys were conducted in total. The first was conducted in July and August of 2007. The second was conducted in July and August of 2008 to rectify missing residents from the first survey. Jointly, 557 heads of households were sampled in the neighbourhood. Within which, 405 returned valid responses, and 152 were invalid. This gave a total valid response rate of 73 per cent. These responses equated to between 7 and 43 per cent of households in each estate.¹⁹ Table 1-2 contained the detail breakdowns of the survey population. Questionnaires which have more than 10 per cent of answers missing were deemed invalid. In addition, a significant number of questionnaires were also excluded due to the suspicion of forgery. Similar hand writing was found on several questionnaires from XFKL and ILC estate. Most of these were from commodity dwellings. The author suspected that these residents have a busier schedule (i.e. fewer incentives to take part) and therefore the distributors had a more difficult time soliciting their involvement. Moreover, as the RCs were on official orders from the street office to assist in the distribution of surveys, the author suspected that some RCs might have resorted to manufacturing responses in order to meet their quota. These invalid responses were discarded in the final analysis.

¹⁹ Because CC estate was newly developed at the time of the survey, most of its residents have yet to be registered with its resident committee. Consequently, the RC itself offered to survey 50% of its residents, citing it as an opportunity to get to know the residents. This is why the sampling proportion is unusually high (43%) in CC. The proportion in other estates ranged between 7 and 25%.

Table 1- 2 Break down of 2007 and 2008 survey returns

Estate	No. of households in estate	No. of households sampled per estate	Total valid returns	Total % of households that returned a valid survey	% of valid responses	Response by dwelling type	Valid responses	Invalid responses
ZHXC	80	20	20	25%	100%	1920s apartment	20	0
XFKL	1000	164	89	9%	54%	Commodity dwelling Returnee dwelling	43 46	63 13
HFXQ	1500	193	180	12%	93%	Shikumen dwelling Other pre-1949 buildings 1949-1990 buildings Unspecified	90 57 29 4	7 0 6 0
CC	100*	43	43	43%	100%	Commodity dwelling	43	0
ILC	1100**	137	73	7%	53%	Returnee dwelling Commodity dwelling Privatised ex-state rental Rental from market Rental from work-unit	18 55 0 0 0	4 37 10 11 1
Total	(5 estates) 3780	557	405	(% of 5 estates) 11%	73%	-	405	152

* According to the RC, at the time of survey, only about 100 households were living in CC. However the first phase of CC has 292 dwellings. Phase two of the development will add another 100 units to the development; bring the eventual household count to about 400.

** According to the manager of the HMC of ILC, at the time of the survey, ILC contained 830 commodity dwellings and 263 returnee dwellings (personal conversation on 30 June

The second survey was necessary because in 2007 the estate CC had only been completed for 6 months, and a significant proportion of owners still had not moved in. The author decided to wait for a year for the residents to settle into the estate and allow any potential social relations to develop. Furthermore, the poor returns from the first survey on ILC estate (mainly due to forgery) called for another round of distribution. Its RC had previously warned the author about the difficulties in soliciting participation from their residents living in commodity dwellings because they have a very weak relationship with the RC. According to the RC, these residents are wealthy, busy and thus unlikely to have time or incentives to take part in the survey. In 2008, the author decided to use two alternative methods to survey these commodity dwellings. Firstly I obtained the assistance of its Housing Management Company (HMC) or *wuye guanli gongsi*. The HMC's are contracted companies, which are responsible for the management of contracted residential estates. Their tasks usually range from the provision of security to the maintenance of grounds, vegetation and hygiene of housing estates. As such, residents in commodity estates may potentially have more contact with their HMC than members of their RC. The manager of the HMC of ILC estate - Mrs Yang- was sympathetic to the research and agreed to help. However, the HMC also could not guarantee a large sample as they suspected the residents would be busy and unlikely to take part. Afraid that the sample might still be too small, the author also obtained the help of an estate agent who had sold numerous apartments in ILC. The agent agreed to distribute questionnaires to several owners, who had previously bought dwellings from him. Consequently the sampling of ILC was less scientific. But as data from its commodity dwellings were so difficult to obtain, the author went ahead with the recognition of this sampling deficiency. I also recognised that the sampling from ILC posed the greatest sampling bias among the five estates due to its large foreign population.²⁰ Language barriers between foreign residents and distributors (who mainly spoke Chinese) posed a strong incentive for distributors to avoid this population group. English copies of the questionnaire

²⁰ According to the HMC, about 400 out of the 1,100 dwellings in ILC were occupied by foreigners. The remaining estates were predominantly Chinese, except for CC which contained a majority of overseas Chinese. However the survey failed to capture this foreign population.

were mainly returned blank. As about 40 per cent of the estate was occupied by foreigners, this indicated an under-sampling of foreigners in the data. However, every effort has been made in the analysis to recognise this sampling deficiency.

Besides the survey, casual conversation and semi-structured interviews were also conducted with stakeholders. These were used to obtain information regarding: a) the past conditions of the neighbourhood including neighbourhood environments, housing conditions, socio-economic status and interactive behaviours of residents. These were conducted with longstanding residents in the neighbourhood including residents in old estates and returning residents in renewed estates; b) development processes and mechanisms including key urban renewal policies. These were conducted with planning officials, developers, RC's, residents and local academics; c) information about the housing estates, including their history, population, housing types, management and related charges. These were conducted with the RCs, HMCs, and sales representatives of developments; and d) real estate prices, including sales and rental figures in different estates. These were conducted with local real estate agents.

Casual conversations had also been conducted with residents in the public spaces of housing estates to contextualise the neighbourhood. The information gathered was used to help construct the questionnaire survey. Semi-structured interviews were conducted with developers, members of the RC's, representatives of the HMC's, local planners, scholars and local residents. Residents who were willing to be interviewed were asked to write their names and contact addresses in the questionnaire. Subsequent meetings were arranged with these willing individuals to conduct more in-depth semi-structured interviews. These meetings allowed the author to obtain deeper information regarding these residents. In total, 16 informal conversations and 44 semi-structured interviews were carried out, involving 40 individuals.²¹ Table 1-3 and 1-4 show the list of interviewees. However, residents from the two upmarket estates were not interviewed (apart from one returnee resident in ILC), because

²¹ Repeated interviews were carried out with several individuals (see table 1-3).

entry to these were prohibited by gates and security guards. It was impossible to wander around the estate to strike up casual conversation with residents, and none of the residents agreed to be interviewed in the survey. This very much echoed what Atkinson (2008) had observed in the West, which is an apparent “desire for social insulation by high-income households”. Consequently, the information about these residents was completely based on the questionnaire survey.

Table 1- 3 List of interviewees (Stakeholders of Shimen neighbourhood)

	Informal conversation		Semi structured interview	
No.	Estate	Sex	Age	Descriptions
1	XFKL	F	50s	Mrs Zheng, secretary of RC of XFKL. Chatted at the RC.
2	XFKL	F	60s	Resident of commodity dwelling, ex-city architect. Chatted near the exercise area
3	XFKL	F	40s	Renter in returnee dwelling. Chatted in the alleyway
4	XFKL	M	80s	Resident in returnee dwelling, spoke in Shanghainese. Chatted in the estate compound
5	XFKL	M	40s	Small business owner, renting an office in XFKL. Chatted in the compound
6	XFKL	F	50s	Manager of owners' association, interviewed at her office
7	XFKL	F	60s	Resident of returnee dwelling, ex-high school teacher, interviewed at her home
8	XFKL	F	70s	Resident of returnee dwelling, ex-RC secretary, interviewed at the RC office
9	HFXQ	M	70s	Resident of a <i>shikumen</i> dwelling, ex-factory worker. Chatted outside his dwelling
10	HFXQ	M	50s	Resident of a 1930s apartment, ex-driver for a Taiwanese company. Chatted in the public area
11	HFXQ	F	40s	Resident of the 1920s apartment caught her walking in the public area with a dripper. Chatted in the public area
12	HFXQ	F	30s	Resident of an estate diagonally across from HFXQ. Chatted while she was getting her bike fixed at a roadside shop.
13	HFXQ	F	60s	Mrs Zuang, resident of a <i>shikumen</i> dwelling, interviewed at her home.
14	HFXQ	M	60s	Mr Tang, engineer of a SOE in Pudong, resident of a 1970s workers' apartment, interviewed at his home.
15	HFXQ	M	60s	Mr Huang, employee of a work-unit, resident of a rooftop extension on top of the 1920s terraced apartment. Used to live on the site of ILC, but has relocated here due to its redevelopment. His family used to own a large factory on the site of ILC. Interviewed at his home.
16	HFXQ	M	30s	Mr Wu, a security patrol man of HFXQ, who grew up in a ground floor dwelling in the 1920s apartment where his father still lives. Interviewed at his father's dwelling. He now lives in a house in the outskirt of Shanghai.
17	HFXQ	F	50s	Mrs Huang, secretary of the RC of ZHXC. She used to live on the site of ILC (prior to ILC's development) but has since been relocated. Interviewed at the RC. (2 interviews)
18	HFXQ	M	60s	Mr Bei, ex-worker of the State Railroad Company. Resident of a workers' apartment. Interviewed at the RC.
19	HFXQ	M	20s	Mr Zhu, an employee of a private Chinese company. Resident of the 1930s apartment. Interviewed at a nearby café.

Table 1- 3 List of interviewees (continued)

20	ZHXC	M	60s	Mr Gu, resident, ex-work-unit employee. Interviewed at his dwelling
21	ZHXC	M	60s	Mr Huang, ex-mould factory worker. Interviewed at Mr Gu's dwelling
22	Hongqing Li (now CC)	F	50s	Owner of fruit shop. Chatted outside her home.
23	Hongqing Li (now CC)	M	70s	Resident, chatted by the fruit store
24	CC	F	20s	Mrs Huang, sales representative of developer. Interviewed at the sales office.
25	CC	F	20s	Mrs Han, sales representative of developer. Interviewed at the sales office.
26	CC	M	30s	Mr Chan, manager of the construction division of the developer. Interviewed at the club house in CC.
27	CC	M	30s	Mr Chan, manager of the design division of the developer. Interviewed at the club house in CC.
28	CC	F	50s	Mrs Shen, secretary of the RC in charge of CC and ZHXC. Interviewed at the RC (4 interviews)
29	ILC	M	30s	Division manager of the housing management company. Chatted at his office and toured the estate together.
30	ILC	F	60s	Ex-teacher, resident of a returnee dwelling. Chatted at the RC.
31	ILC	F	40s	Mrs Yang, Manager of the housing management company. Chatted at her office.
32	ILC	M	40s	Mr Zhang, secretary of the RC of ILC. Chatted at the RC.

Table 1- 4 List of interviewees (Other sources)

	Informal conversation		Semi structured interview	
No.	Profession	Sex	Age	Descriptions
33	Estate agent	M	20s	Local real estate agent (Xingyi Property Consulting). Chatted at his office.
34	Estate agent	M	20s	Mr Tao, local real estate agent (Shanghai Hangyu Property Consulting Company LTD). Interviewed at his office.
35	Academic	M	50s	Mr Zhao. Now ex-Head of department and Professor of Planning at Shanghai's Tongji University. Interviewed at his office (2 interviews)
36	Academic	M	40s	Mr Tong. Associate professor of Planning at Shanghai's Tongji University. Interviewed at his office (2 interviews)
37	Academic	M	50s	Mr Lu, Director of the Social Science Research Department, Shanghai Academy of Social Sciences. Interviewed at his office.
38	Government official	M	40s	Senior planning official of Jing'an District Planning Bureau. Interviewed at various cafes (4 interviews)
39	Government official	M	40s	Senior planning official of Xuhui District Planning Bureau. Interviewed at his office.
40	Developer	M	40s	Mr Tao, Manager of Estate Management Division of a large property developer. Interviewed at his office (2 interviews)

1.4 Thesis structure

This thesis contains 10 chapters. Following this introduction, chapter 2 reviews

the importance of social mix, and overviews theories on the mechanisms of socio-spatial differentiation in urban spaces. It ends with the formulation of a potential framework to interpret the mechanisms generating mixed neighbourhoods in central Shanghai. Chapter 3 reviews literature on social interaction. It covers the debates on the theoretical links between social mix and social mixing, and reviews studies on social interaction in China and cases of mixed neighbourhoods in Western cities. Chapter 4 provides a contextual overview of Shanghai, providing background history to the city, and the development mechanisms operating in the city since 1990. Key goals and reforms which affected post-1990 urban development are highlighted, key housing renewal programmes in the period are summarised, and a macro-level overview of mixed neighbourhoods in the city centre is provided. Chapter 5 provides the context to the case study neighbourhood. Development agenda of the district, condition of the neighbourhood (including socio-economic structure of residents and living conditions) before and after the redevelopment are explored. The emerged residential inequalities in the mixed neighbourhood in terms of tenure characteristics, housing price and housing expenditures are analysed. Chapter 6 examines the two old traditional estates in the neighbourhood. Aspects of their living conditions, intra-estate social interaction among their residents, and mechanisms involved in their retention are explored. Chapter 7 examines the two new upmarket commodity estates in the neighbourhood using the same structure as chapter 6. Chapter 8 examines a unique middle-income, 'mixed' estate in the neighbourhood. It was developed as a trial in the 1990s HAFI housing renewal programme, and contains a significant mixture of returning residents and newcomers with slightly different socio-economic characteristics. Aspects of its living conditions, intra-estate social dynamics among residents, and mechanisms involved in its development are analysed. In particular, the interactive behaviours of returnees and newcomers will be compared. Chapter 9 shifts the lens back on to the neighbourhood scale, and examines residents' inter-estate social interactions in the neighbourhood. The quantity of inter-estate social interaction among residents, and their use of local shops are measured and compared to what is known of the situation before redevelopment. Moreover, indicators of residents'

lifestyle and lifeworlds, which affect locally-based social mixing, are gathered from data on their residential patterns, mobility, holiday habits, education strategies for children, and the physical separation of estates. These would help to make sense of how the creation of social mix had impacted the nature of inter-estate interaction. Chapter 10 concludes the thesis. It summarises the findings and compares to known theories and findings. Moreover, implications derived from the findings will be reported, before the current research is reflected upon and areas for future research suggested.

2 Social mix: a literature review

2.1 Introduction

This chapter tries to develop a framework to explain how socially mixed neighbourhoods have emerged in central Shanghai and elaborate the initial hypothesis on the potential mechanisms at work. Since the urban policy in China (and Shanghai) is not yet concerned with social exclusion and segregation, there is currently no policy that fosters socially-mixed neighbourhoods. So how do we develop a theoretical framework to explain this phenomenon?

The majority of literature on the socio-spatial distribution of social classes relates to studies under the headings of socio-spatial differentiation, segregation and gentrification research. Although all are concerned with the social division of urban space, these theories have been treated rather separately. Nevertheless they offer potential clues to uncover the causal mechanisms of mixed neighbourhoods in post-reform Shanghai. But for them to be useful, we must acknowledge that the emergence of social mix in Shanghai is taking place in the context of a transition from a centrally-planned socialist economy to a socialist market economy containing market-led urban development (Zhu, 1999; Wu *et al.* 2007). Similarities/differences to Western contexts must be acknowledged.

This chapter is organised into 4 sections. After this introduction, section 2 will review the arguments for socially mixed communities, and the recent proliferation of such urban policies in many Western countries. Section 3 reviews the existing theoretical approaches on urban socio-spatial division. These include the polarisation thesis, the Western European Welfare State approach, policy-driven mixed communities, and gentrification research on

community resistance and site deterrents to gentrification. For each approach, the main arguments and causal mechanisms will be highlighted. Section 4 will compare the context of urban transformation in Shanghai with these existing theories to formulate a framework to explore the emergence of mixed neighbourhoods in its context. The aim is to extract pertinent aspects of the theories, which are mainly derived from Western contexts, where markets in land and property have been un-interrupted by communist periods but regulated by various policy regimes, for the post-reform Chinese context.

2.2 Importance of social mix

2.2.1 Problems related to social exclusion and segregation

Areas with an absence of social mix are often perceived to be prone to social and economic malaise. Social segregation is the most extreme form of lacking socio-economic mix, where the rich and poor (the ‘haves’ and ‘have-nots’) live in divided geographical areas. Segregation has been found to substantially deprive the life chances of the poor congregated in deprived (segregated) areas, which often trap these inhabitants in negative cycles of exclusion and poverty (Lipton and Power, 2004; Berube, 2005).²² In Western cities, these areas of concentrated deprivation are often found in the “inner-city ghettos” of the US (Wilson, 1987, 1998) or public housing estates such as in the UK, the Netherlands and Australia (Jupp, 1999; Wood, 2003; Kleinhans, 2004).²³ It is here that the disadvantaged social groups (poor, lowly educated, some ethnic minorities) generally congregate (Peach, 1996; Lipton and Power, 2004; Berube, 2005).

Much of the work on social exclusion (i.e. negative impacts of segregation) has been strongly influenced by the seminal work of William Julius Wilson (1987), whose work examined the sharp increase of the poor, disadvantaged black

²² Social segregation generally refers to the geographical segregation of the rich and the poor people, or the ‘haves’ and ‘have-nots’. As mentioned before, in North America, this often has an ethnic dimension e.g. deprived areas concentrated by the Blacks or the Hispanic immigrant communities.

²³ In the US this exclusion is heavily based on race discrimination between the whites and African Americans (see Massey and Denton, 1993).

people in the inner-cities of USA during the 1970s.²⁴ According to Wilson, the main problems faced by poor people living in segregated, excluded environments include the following:

- **Diminished presence of positive role models:** Increasingly excluded areas are likely to face the exodus of middle-class (better-off) families. The presence of working middle-class families during periods of economic downturn and joblessness provides “mainstream role models that help keep alive the perception that education is meaningful, that steady employment is a viable alternative to welfare, and that family stability is the norm, not the exception” (Wilson, 1987: 56). In socially mixed areas, social interaction between different classes and ethnic groups allows the diffusion of social values and attitudes regarding the positive value such as education and educational attainment (Sarkissian, 1976), meaningful jobs and therefore be able to support oneself without benefits (Wilson, 1987) and aspirations for self-improvement (Berube, 2005).
- **Diminished ability to retain local institutions:** The out-migration of middle-class, working families from the inner-city neighbourhoods made it more difficult to sustain the basic institutions in the inner-city (e.g. churches, stores, schools, recreational facilities etc.) in the face of prolonged joblessness. Wilson (1987) used the term ‘social buffer’ to describe “the presence of a sufficient number of working and middle-class professional families to absorb the shock or cushion the effect of uneven economic growth and periodic recessions on inner-city neighbourhoods” (p. 144). This point has been echoed by Tunstall and Fenton (2006: 13), who stated that “(i)f households on low incomes are concentrated in an area, money available to support local shops and commercial services is likely to be scarce; reliance on local shops with high prices and diminished range of provision has been identified as an aspect of social exclusion.”²⁵

²⁴ Some scholars and policy makers also refer to the ‘culture of poverty’ theory of Oscar Wilson (1968), whose work was based on the analyses of Latin American poverty, and argued that such a culture can be absorbed by children and be perpetuated from generation to generation.

²⁵ The ability of income earning, middle-class residents to sustain local services has been documented

- **The loss of local community and social organisation:** When the basic institutions of a locality have declined, the “social organisation” of neighbourhoods (e.g. a sense of community, positive neighbourhood identification, and explicit norms and sanctions against aberrant behaviour) likewise declined (Wilson, 1987: 144). This point has been supported by Blokland (2003: 3) who found that disadvantaged districts can become “disintegrated and no longer form a community or social structure. These districts can lack both economic and/or social capital and have therefore ceased to be sustainable communities.”

- **Increased social isolation:** In neighbourhoods with “a paucity of regularly employed families and with the overwhelming majority of families having spells of long-term joblessness, people experience a social isolation that excludes them from the job network system that permeates other neighbourhoods and that is so important in learning about or being recommended for jobs that become available in various parts of the city. And as the prospects of employment diminish, other alternatives such as welfare and the underground economy are not only increasingly relied on, they come to be seen as a way of life” (Wilson, 1987: 57). This point is largely supported by Friedrichs (1996) whose review of an international literature also comes to the conclusion that it is common for low-income people in poor areas to be socially isolated, and to have most of their contacts with people similar to themselves (cited in Atkinson and Kintrea, 2000: 95).

- **Stigmatism of locality:** Areas with high concentration of poor people are prone to suffer from social malaise including aberrant behaviour, crime, teenage pregnancy and school dropouts (Wilson, 1987; Lupton and Power, 2004; Buck and Gordon, 2004; Berube, 2005), which can lead to the stigmatism of localities (Atkinson and Kintrea, 2000). For example, it has been well documented that poor housing estates often have reputations which lead to discrimination against their residents in areas such as credit;

elsewhere (Henig and Gale, 1987; Freeman, 2006).

education and employment (Damer, 1992; Reynolds, 1986; Atkinson and Kintrea, 2001b).

2.2.2 Proclaimed benefits of social mix

In contrast, scholars and commentators have generally extolled the positive virtues of social mix, which has been perceived to have the ability to alleviate or rectify the problems stemming from segregation and exclusion. The support for socially mixed communities has had a long history. Almost five decades ago, Herbert Gans (1961b) summarised four major advantages that had been advocated in US literature at the time, which could be related to social mix at the neighbourhood scale. Firstly, it added demographic 'balance' to an area that enriched people's lives. Secondly, it promotes tolerance of social and cultural difference. Thirdly, it produces a broadening of educational influences on children and thus teaches them about the diversity of people, and finally, it provides exposure to alternative ways of life while homogeneity locks people into their present ways of life.

Going further, Sarkissian (1976), contended that the role of social mix at the neighbourhood scale has been viewed with importance since city planning and urban problems were first observed towards the late nineteenth century. According to her, social mix has been suggested as a means to achieve 9 goals:

1. To raise standards of 'lower classes' via a 'spirit of emulation'
2. To encourage aesthetic diversity and raise aesthetic standards
3. To encourage cultural cross-fertilisation
4. To increase equality of opportunity
5. To promote social harmony by reducing social and racial tensions
6. To promote social conflict in order to foster individual and social maturity
7. To improve the physical functioning of the city and its inhabitants
8. To help maintain stable residential areas
9. To reflect the diversity of the urbanised modern world

More recently, tenure has often been used in urban policy to foster social mix (Tunstall and Fenton, 2006). Wood (2003), after reviewing the work of various academic commentators, highlighted seven principal objectives of tenure diversification:

1. Promoting social interaction and social cohesion;
2. Encouraging the spread of mainstream norms and values;
3. Creating social capital;
4. Opening up job opportunities through wider social contacts;
5. Overcoming place-based stigma;
6. Attracting additional services to the neighbourhood;
7. Leading to sustainable regeneration.

More recently, Bailey and Manzi (2008: 3) identified seven motivations underpinning the commitment to mixed tenure communities'. These include:

1. Counter adverse neighbourhood effects and promote the improved provision of facilities and integrated services;²⁶
2. Promote social cohesion, reduce social exclusion and create stronger communities;
3. Assist families with children to play a full part in building inclusive communities;
4. Encourage developers and others to provide the full range of house sizes, types and tenures;
5. Enable residents to access a variety of training and employment opportunities;
6. Provide good quality amenities and facilities;
7. Increase 'liveability' through high quality design, and facilitate innovative and responsive systems of management.

²⁶ The concept of 'neighbourhood effects' stem from the work of Wilson (1987) in which he argued that the deficient social institutions of a locality such as social norms, or a lack of positive role models, could imply detrimental effects on the life chances of residents. This argument has been picked up in many Western urban policies trying to foster social mix in order to turn around the negative neighbourhood effects on people in socially excluded areas and induce upward social mobility (see also Atkinson and Kintrea, 2001a, 2001b; Buck and Gordon, 2004)

These points summarised the essence of social mix which is “a deep social importance to being brought up and living in diversity” (Atkinson, 2005:6), so that we can relate to people who are different from ourselves. Social mix is often assumed to follow on from physical residential mix, as a great deal of these benevolent impacts and objectives are to be achieved via the close interaction between different social groups (Camina and Wood, 2009).

Another important element of social mix is that many writers see social interaction as an essential preliminary to social cohesion (Thomas, 1991; Forrest and Kearns, 2001; Meegan and Mitchell, 2001). According to Kearns and Forrest (2000):

“... a cohesive society ‘hangs together’; all the component parts somehow fit in and contribute to society’s collective project and well-being; and conflict between societal goals and groups, and disruptive behaviours, are largely absent or minimal.”(p. 996)

They argued that one of the key components of cohesion depends on socialisation within social networks:

“There is a long-standing belief that a cohesive society contains a high degree of social interaction within communities and families. In this view, social cohesion is maintained at a local level, through socialisation processes and through mutual support mechanisms based on family and kin, mostly within the neighbourhood but increasingly across the city as well.” (p. 999)

According to Forrest and Kearns (2001), even the very basic levels of social contact such as saying ‘hi’ to neighbours makes up the “routines of everyday life”. Moreover, they are arguably “the basic building blocks of social cohesion ... through them we learn tolerance, co-operation and acquire a sense of social order and belonging” (p. 2130).

This concept is in accordance with Granovetter (1973) and Greenbaum (1982), who had previously argued that 'weak ties' or acquaintanceships among neighbours, which are rarely used, can lead to a false impression of their potential. Their existence can facilitate and sustain social advantage and provide the basis of local cohesion. Although strong ties, particularly those with close kin, have continuing central roles, a locality-based ambience resting on 'mutuality' of well-disposed individuals, can go somewhere towards fostering a neighbourhood sense of place (Davies and Herbert, 1993: 73).

2.2.3 Proliferation of social mix policies in the West

Many of these ideas on social mix have been subsequently adopted in policy debates to foster mixed communities. Lees (2008: 2451) summarised Schoon's (2001) three rationales in policy debates for social mixing. Firstly, there was the 'defending the neighbourhood' argument, which claims that since middle-class people are stronger advocates for public resources, socially mixed neighbourhoods will fare better than those without middle-class households (see also Abu-Lughod, 1994). Secondly, the 'money-go-round' argument claims that tenurially and socioeconomically mixed neighbourhoods are able to support a stronger local economy than areas of concentrated poverty (see also Wilson, 1987; Freeman, 2006). Finally, the 'networks and contacts' argument draws on Putnam's (1995) influential account of bridging social capital to promote social mixing as the way to generate social cohesion and economic opportunity (see also Kearns and Forrest, 2000).

On the other hand, Tunstall and Fenton (2006:11) classified 3 groups of policy reasons under which mixed communities are caused. Firstly, social mix may be sought as a means to improve the well-being and circumstances of a place's residents, to bring benefits to the wider community or to reduce social or economic costs in the future. Secondly, mixed communities may be a side effect of the short-term term goal of getting new housing built; mixes motivated by profit or the supply of subsidised affordable housing. Thirdly, mix may be sought on principle, as an end in itself. The logic being that: "different classes or

ethnic groups should live near one another; land or housing wealth ought to be accessible and enjoyed by all.”²⁷

Urban policy that encourages social mix has been increasingly adopted in many Western countries (DETR, 1999, 2000a, 2000b; Crump, 2002; Wood, 2003; Berube, 2005; DCLG, 2006). These policies either introduce owner-occupiers into areas dominated by social housing estates, under the terms of ‘tenure mix’, ‘housing diversification’ or “mixed-income development” (Brophy and Smith, 1997; Rosenbaum *et al.* 1998; Atkinson and Kintrea, 1998, 2000; Jupp, 1999; Goodchild and Cole, 2001; Ostendorf, *et al.* 2001; A. Smith, 2002; Martine and Watkins, 2003; Krytoff, 2003; Wood, 2003; Kleinhans, 2004; Tunstall and Fenton, 2006); or they, in effect, encourage gentrification in previously disinvested areas, which houses the poorer social classes (DETR, 1999, 2000a; Badcock, 2001; N. Smith, 2002; Lees, 2003a; Lees and Ley, 2008; Lees *et al.* 2008).²⁸ Embedded in the concept and justification of both was the assumption that more social mix will lead to social mixing, and the exchange of social resources from the ‘advantaged’ to the ‘disadvantaged’ will ultimately bring improvement to the economic, social, and cultural spheres of the poorer residents (Cole and Goodchild, 2001).²⁹ The remainder of this section will overview some of the social mix policies in the UK, the Netherlands and US as

²⁷ Proponents of social mix are not without challengers. Some UK writers argue that there are benefits from social homogeneity. For example Peach (1996) has elaborated on the positive aspects of sanctuary and protection achieved by groups living together. Silburn *et al.* (1999) and Robinson *et al.* (2004) highlighted that some social mixes could create management problems. For example, it may be easier to provide a homogeneous population with public or private services e.g. minority ethnic households are more likely to find specialist shops and services in neighbourhoods with many households from similar backgrounds as themselves. Others authors have commented on the possibilities of tensions and disputes that can arise from groups’ differences in priorities or attitudes towards a mixed area (see Jupp, 1999). Furthermore, the creation of mix can also be seen a form of ‘social engineering’ that frustrates choice and markets, and reject the people’s rights to live with neighbours they prefer (Tunstall and Fenton, 2006: 22). Finally, perceived from a bottom-up perspective, proponents of social mix can be criticised for their top-down determinism. For example, why should the poor, the working-class or particular ethnic minorities have to be ‘improved’ by the introduction of ‘others’, who are supposedly white and/or wealthier? Why do existing social housing or homogenous communities have to be ‘broken up’ (Berube, 2005) in order to be ‘bettered by new role models’ (Atkinson, 2008: 2631)? The mixing strategy of the rich and poor inherently supposed a better leadership of richer people, and the necessity to dilute the latter.

²⁸ “The promotion of owner-occupation in or near social housing estates has some parallels with gentrification. Both gentrification and estate upgrading through owner-occupation involve a process whereby higher income households move into a working-class or lower income neighbourhood. Indeed, Kleinman and Whitehead (1999) have called some of the initiatives of New Labour local authorities in London ‘deliberate gentrification’. There are some differences, however. Gentrification leads in the long term to the complete displacement of the original population, whereas social balance policies assume that the estate or neighbourhood remains mixed.” (Goodchild and Cole, 2001: 113)

²⁹ Somewhat ironically though, schemes which introduce poor people into rich areas are extremely rare (see Krytoff, 2003).

examples of this trend.

It is also worth mentioning here the criticisms of this policy approach. Most mix policies aim to (maybe apart from France and the Netherlands) break up concentration of poor people by introducing wealthier residents, and not vice versa. Considered from the left, why should livelihoods of the poor be improved by the help of the wealthier residents. Some poor communities have complex and positive coping strategies through their own networks of mutual help.³⁰ Another criticism is that so far, researches on mixed areas have found inconclusive evidence on the benefits of 'area effects' on poor residents' life chances (Turner and Ellen, 1997; Atkinson and Kintrea, 2004; Buck and Gordon, 2004).³¹ Recently, a strong attack has been launched by Paul Cheshire and his colleagues, after reviewing studies on area effects, that forcing mix does not contribute to altering the life chances of the poor because policies merely shift the poor people to somewhere else, diluting the concentration for measurement. Therefore, crucially, the root of the problems – poverty – has yet to be tackled by these policies directly (Cheshire, 2007; Cheshire *et al.* 2008).

Mixed communities policies in the UK

The UK urban policy is committed to mixed communities. For example, the White Paper- "Planning for Communities of the Future" (DETR, 1998) made the claim that:

"The Government is committed to creating mixed communities, wherever appropriate, rather than areas of exclusively high-cost or low-cost housing" (p. 23)

Subsequently, the Urban Task Force Report (1999) also strongly recommended mixed developments after a review of British cities. It stated:

³⁰ For example in migrant enclaves in the Netherlands (Van Kenpen and Ozueken, 1998).

³¹ Although most of the examination on area effects has been focused on health, crime and education (see Atkinson, 2005; Bramley and Karley, 2007)

“In all future urban development, and where possible in existing urban areas, we must strive for a much greater mix of building types and housing tenures” (DETR, 1999: 49)... “To avoid single housing tenure, of whatever kind, designs should offer a wide choice of tenure options at urban block, street and neighbourhood level, in a way which does not distinguish tenure by grouping or house type. New development should also be used to bring balance into mono-tenure areas.” (DETR, 1999: 71)

The White Paper- “Regeneration That Lasts” (DETR, 2000a), which was the government’s official response to recommendations by the Urban Task Force Report (1999), embraced several assumptions about the positive effects of social mix. Firstly, tenure diversification is supposed to increase the scope for housing career moves by better-off social renting tenants within an area, maintaining the stability of the population and allowing the estate or neighbourhood to adapt to changing residential preferences. Secondly, upwardly mobile residents moving or buying within the same area are considered as potential role models (cf. Tunstall, 2003). Thirdly, diversification may diminish problems of high turnover and vacancy rates in a situation of decreasing demand for social housing (cf. Martin and Watkinson, 2003). Fourthly, the sustainability of estates is perceived to be undermined if they house concentrations of benefit-dependent people. Mixed tenure is supposed to diminish their concentration. Fifthly, raising levels of owner occupation in social housing estates is a possible way of increasing the numbers of residents with a financial commitment to the estate. And finally, tenure mix can lead to a “new atmosphere and attitude” (DETR, 2000a).

The Green Paper- “Quality and Choice for All”, also published in 2000, sets out a housing strategy for England. It proposed housing diversification in both existing and new estates and recommended that local housing authorities should promote social diversity by changing allocation policies (DETR, 2000b). In its wake, the British Home Office reported that the “high levels of residential segregation found in many English towns would make it difficult to achieve community cohesion” (Home Office 2001, p.70, cited in Kearns, 2004: 371).

This report urges the adoption of creative strategies to produce more mixed housing areas.”

More recently, in the latest Planning Policy Statement 3 (PPS3) (2006), the mixed community policy has been extended to new developments as recommended by the Urban Task Force (1999). It requires local authorities to assess the housing needs in their area, set clear targets, ensure adequate land is available to ensure “sustainable, inclusive, mixed communities in all areas, both urban and rural” to be created by including “a variety of housing, particularly in terms of tenure and price” (DCLG, 2006, pp. 6 and 9).

Social diversification policies in the Netherlands

In the Netherlands, the ‘housing re-differentiation’ policy was supposed to foster benefits of mixed communities and to reduce the social and economic impacts of segregation (Musterd *et al.* 1999; Ostendorf *et al.* 2001; Krythoff, 2003). As suggested by Ostendorf *et al.* (2001) the Dutch policies of urban restructuring have been intended to diversify the housing stock to change the social composition of neighbourhoods in order to create greater social mix. A key assumption behind such programmes they assert is that if greater mix can be promoted, the contextual effects of being poor in poor areas may be reduced and upward mobility could be promoted (cited in Atkinson, 2005).

In a later review of Dutch policy, Kleinhans (2004) has identified several government memoranda (MVROM, 1997, 2000) that have set high ambitions with regard to housing market effects and the social implications of restructuring. Two important goals are offering housing career opportunities within the neighbourhood and combating the selective migration of middle-class and higher-income households out of the city. The construction of expensive dwellings, mainly owner-occupied, should promote a social mix in the neighbourhood. Moreover, the introduction of higher-income households is thought to reinforce the social networks of current residents and provide role models with regard to behaviour and aspirations (MVROM, 1997; Noordanus,

1999; Uitermark, 2003, cited in Kleinhans, 2004). Moreover, the Dutch White Paper entitled *What People Want, Where People Live* (Mensen Wensen Wonen), published in 2000, shifted the attention from social effects towards housing market and housing career opportunities. According to Kleinhans (2004), the crucial argument in the paper is the claim that a homogeneous socio-cultural structure of a neighbourhood is only problematic if it is involuntary or due to a lack of choice. For the same reason, diversification should also target wealthier households who are considering a move out of an area dominated by social rented housing, by providing attractive housing career opportunities within the same neighbourhood (MVRM, 2000, pp. 176–177). The Urban Renewal Act of 2000 still denotes “enhancement of the social cohesion” as one of the goals of urban renewal (Staatsblad, 2000)” (Kleinhans, 2004: 373).

Mixed-income developments in the US

Similarly, in the United States, their response to the social problems connected to concentrated poverty and the economic burden of housing the very poor in large developments is reflected in a housing policy that de-concentrates the poor (Schwartz and Tajbakhsh, 1997). There are two types of approaches. The first consists of dispersal programmes to relocate the poor to low-poverty areas (Goetz, 2002; Popkin *et al.* 2002).³² The second involves the creation of mixed-income housing to house families of various incomes in the same development (Brophy and Smith, 1997; Rosenbaum *et al.* 1998).³³

Significant initiatives to create mixed communities in the US have been well summarised by A. Smith (2002). Relevant Federal programmes and Legislation include:

³² For example, MTO: “a national program, Moving to Opportunity (MTO), run by the U.S. Department of Housing and Urban Development (HUD) and modeled after the Gautreaux program, has randomly assigned low-income families to three groups: an MTO group that must move to low-poverty areas, a Section 8 group that can move anywhere (but tended to move to high-poverty areas), and a control group that is not given Section 8 certificates (and tended not to move).” (Rosenbaum *et al.* 1998: 708)

³³ However, mixed-income housing is not a new phenomenon in the US, as some of the new towns in the 1960s and 1970s were designed based on such principle (Schwartz and Tajbakhsh, 1997; Brophy and Smith, 1997).

- Low Income Housing Tax Credit (LIHTC) (1986): The nation's largest affordable-housing production program, the Low-Income Housing Tax Credit, allows developers to commit as few as 20 to 40 percent of their units for low-income tenants. These low requirements for the inclusion of low-income households were designed to promote mixed-income developments. In addition, because the rent level is not fixed as a percent of income, families were encouraged to remain in the development even if their incomes rose.

- Family Self-Sufficiency Program (1990): This program seeks to develop a mixed-income property by raising the incomes of existing public-housing and Section 8 tenants. Families receive case-management services to identify employment goals and access supportive services in the community needed to meet the goals. Typically, families must pay 30 percent of any additional earnings in rent to the public housing authority (see Sard, 2001).

- Mixed-Income New Communities (1990): A demonstration program by the Department of Housing and Urban Development (HUD) that permitted between 25 and 50 percent of the units in a public-housing development to be leased to families with incomes of up to 80 percent of the area median income. In addition, housing authorities could lease up to 25 percent of the units in a privately owned property for public-housing tenants (see Cerasco, 1995).

- HOPE VI Revitalization Grants (1992): Short for Housing Opportunities for People Everywhere is a Federal programme for the social and physical revitalisation of distressed public housing. Between 1993 and 2002, the HUD allocated a total of \$4.55 billion to demolish 78,000 units of the worst public-housing and to redevelop these projects into mixed-income housing developments (National Housing Law Project, 2002; Salama, 1999). Among the enabling rule changes were the elimination of federal preferences for admitting very-low-income households, and authorizing public-housing development funds and operating subsidies for projects

owned by a private entity (see also Brophy and Smith, 1997; Wyly and Hammel, 1999).

- Quality Housing and Work Responsibility Act (1998): This legislation requires public-housing authorities to “bring higher-income tenants into lower-income projects and lower-income tenants into higher-income projects.” The act also states that while 40 percent of households newly admitted to public housing must have incomes below 30 percent of the area median income (AMI), the rest of the units may be leased to households with incomes of up to 80 per cent of AMI.

In addition, as individual States are responsible for allocating their share of Low Income Housing Tax Credits, many now give preference in the allocation of tax credits to developments that include market-rate units e.g. in Georgia, Indiana, New Jersey and Massachusetts (U.S. Department of Housing and Urban Development, 2000). Moreover, some State and local governments increasingly use inclusionary zoning ordinances, other land-use regulations, and density bonuses to encourage developers to reserve a portion of the total amount of new housing (usually 20 percent) for low- and moderate-income households (Schwartz and Tajbakhsh, 1997; Center for Housing Policy, 2000).

Alistair Smith (2002) believes this shift in favour of mixed-income housing will likely continue; citing the recently released report of the Millennial Housing Commission (2002), which recommends a new production programme for mixed-income developments housing extremely low-income households, and emphasizes that “mixed-income housing is generally preferable to affordable housing that concentrates and isolates poor families.” Moreover, a recent report from the U.S. Conference of Mayors also calls on federal programs to “place a high priority on achieving both mixed-income developments and mixed-income neighbourhoods.” (A. Smith, 2002: 5-6)

2.3 Existing explanations on the socio-spatial division of urban space

The case of Shanghai's post-reform transition represents a very different trajectory of development to cities in the West. In Shanghai, the post-socialist transition since 1978 saw the evolution of urban neighbourhoods from a default of socially-homogenous to increasingly socially-heterogeneous in nature (see Feng *et al.* 2008). In contrast, the default of social patterns in most Western cities can be said to be in some form or degree of social mix. This had existed historically and until now. In general, arguments about social segregation in the West has been very much coloured by individual scholars' perspectives in academia, which often embed strong personal feelings towards the topic, and as such, perspectives put forwards by these often portray a distorted view on the extent of segregation, and down plays the degrees of actual social mix .

There are 5 dominant strands of thought on the mechanisms that reorganise social spaces in Western cities, where a market based housing system exist. The first is what we can call the 'market perspective', which is represented by the US-based polarisation thesis where the effects of the market have been stressed. Secondly, the 'state-market' perspective is based on the Welfare states in Western Europe, where one can find stronger state intervention in the market. Thirdly, the 'state' perspective refers to policy adoptions in many Western countries since the mid-1990s, which specifically foster the creation of socially-mixed neighbourhoods. Fourthly, the 'community mobilisation' perspective, which is mainly derived from democratic societies, refers to residents' resistance to planned development. Fifthly, the 'site characteristics' perspective points to attributes of plots which can be unappealing to developers or gentrifiers, thus affecting development potential. I will elaborate each of these mechanisms in this section.

2.3.1 The polarisation thesis

The polarisation thesis and the 'divided city' perspective tend not to allow for the

possibility of socially mixed neighbourhoods. Its crux lies in the operations of the market in national contexts with weak social welfare provision (e.g. in housing) that have undergone structural economic change, which substantially altered the employment and income structures of the population and spatial division of cities.

The social polarisation theory in world cities began in the early 1980s when many Western advanced economies were undergoing post-industrial transition. According to it, global or world cities, which occupy the upper echelon of the world urban hierarchy, became favoured sites for the headquarters of transnational companies. These headquarters began to adopt new 'control and command' functions fostered by the process of international division of labour and new means of economic production orientated on service industries and professional managerial elites instead of manufacturing and labour workers (Friedmann and Wolf, 1982).

Other scholars stressed the effects of technological advances on the increasing geographical division of labour. Technological improvement in manufacturing processes and telecommunications have allowed transnational corporations to adopt more control and command functions in key international locations with a spatially dispersed labour force to take advantage of cheaper workers in less prosperous geographic regions. Innovations in automation and robotics have also reduced the demand for manual labour, while the new management orientated functions required higher educated labour rather than blue-collar workers (Castells, 1989).

This process of economic restructuring had been responsible for the polarisation of employment opportunities and subsequently income distribution in global cities, such as Los Angeles, New York, and later Tokyo and London (Sassen-Koob, 1984; Sassen, 1991). Under economic restructuring, jobs in the tertiary sector have increased while jobs in the secondary (manufacturing)

sector decreased.³⁴ The expansion of the service sector is two pronged. It included those in the highly skilled, high income sector such as finance and managerial jobs and those in lowly skilled, low wage services which served the former (Sassen-Koob, 1984; Sassen, 1991). Polarisation therefore leads to increased social inequality. If the income-distribution of a traditional industrial society consisted of an egg-shaped distribution where the majority of the population congregate around the middle-income range, than the hourglass-shape represented the post-industrial world city where the middle-income groups shrink while the very rich and the very poor have expanded (Marcuse, 1989).

Through the medium of real estate, competition for urban spaces for residential and commercial functions by the new economic elites fosters the process of gentrification, which leads to the spatial segregation of different socio-economic groups (Sassen, 1991; Mollenkopf and Castells, 1991; Fainstein *et al.* 1992, Knox, 1993).³⁵ Metaphors of this spatial consequence included the 'dual city' (Mollenkopf and Castells, 1991) and the 'divided city' (Fainstein *et al.* 1992). These simplified and generalised spatial models postulated that world cities are increasingly characterised by the enlarged division between the 'haves' and 'have-nots', which in some places means between the ethnic minorities and the white middle-classes.³⁶

One major weakness of this approach in explaining socio-spatial differentiation is its disregard of the role of the state and national welfare policies. The thesis

³⁴ The secondary sector contained the traditional manufacturing jobs, which was previously the dominant economic driver under the Fordist regime responsible for the expansion of the middle class during the period, for example the garment manufacturing sector in New York city (Sassen, 1991; Mollenkopf and Castells, 1991).

³⁵ Gentrification normally displaces poorer people (Atkinson, 2000). The degree to which markets and or these new forces lead to degregation can vary, depending on many factors. For example, rigidities in the housing market can slow the process down. Rigidities can come from the security of tenure, long fixed leases or high transaction costs etc.

³⁶ Some authors had criticised these spatial models as 'muddy' and ill-defined (E. van Kempen, 1994). Criticisms have focussed on the vast simplification of the phenomena, which negated the complexities of class, race, and interrelationships between social groups (Marcuse, 1989; Castells and Mollenkopf, 1991; Fainstein and Harloe, 1992). As Ronald van Kempen (2002:49) argued: "This translation of social polarisation into spatial patterns is often made too easy. It is by no means always the case that polarisation leads to segregation. This has clearly to do with the spatial structure of the city. In those cities where there is a mixture of all kinds of dwellings within neighbourhoods the chance for spatial segregation is much less than in those cities in which cheaper dwellings are clustered in one place and more expensive dwellings in another. Also, the availability and accessibility of dwellings is important here."

was heavily derived from the US where – in many State jurisdictions - the state has one of the most relaxed forms of direct involvement in housing and employment. As such, politics have been “portrayed as being insufficient or as a reflection of neo-liberal economic pressure” (Wessel, 2000: 1947). Compared to countries in Western Europe, which have stronger welfare state regimes (Musterd and Ostendorf, 1998; Arbaci, 2007), or the socialist and post-socialist transitional countries in Eastern Europe (French and Hamilton, 1979; Andrusz *et al.* 1996) or post-reform China (Logan, 2002; Wu and Ma, 2005), where the state has a more direct role in the spheres of housing and employment, the polarisation thesis could only partially capture the context that affect the income and housing choices of the population, which in turn, influence the socio-spatial differentiation of urban space.³⁷

2.3.2 The Welfare State approach

The welfare state approach is the antithesis to the US-based polarisation thesis. The approach was adopted by scholars working on Western European countries which traditionally have, in the 20th century, developed a welfare state (Musterd and Ostendorf, 1998). In these countries, stronger state involvement in the population’s income (e.g. financial assistance to the retired, jobless, handicapped and single parents etc) has strongly challenged the direct relationship between economic restructuring and income polarisation postulated by the polarisation thesis (Hamnett, 1994a, 1994b, 2003a; Kloosterman, 1996; Rhein, 1996). In fact, scholars have found partial or no income polarisation in the wake of post-industrial restructuring when the manufacturing and blue-collar jobs have shrunk. Hamnett (1994a, 1994b) had argued that a process of ‘professionalisation’ was observed in the United Kingdom and the Netherlands

³⁷ Another embedded theme in the polarisation thesis embodies the spatial separation of race and ethnicity in the form of the lowly paid immigrant workforce in the low wage service sector (Friedmann and Wolf, 1982). The divided city model also incorporates the historical racial discrimination against the black population in the US (Massey and Denton, 1996; Marcuse, 1997), where income inequality is strongly linked to race (N. Fainstein, 1993). This, however, applies to a lesser extent in European countries with their ethnic residents and immigrants (Peach, 1996; Kesteloot, 1994). Moreover, Western Europe has had weaker racial division/discrimination between the blacks and whites than that documented in the US (Peach, 1996). Furthermore, the large coastal cities in the East coast of China have very low numbers of ethnic minorities in the population to constitute distinct social areas (Li and Wu, 2008). Therefore ethnicity is not a big issue for these contexts.

during the 1980s. He found that the numbers of professional and managerial jobs actually increased while all the other sectors dropped. Kloosterman (1996) also working on the Netherlands, found that under a closer scrutiny of inter-sectoral changes, employment changes were more complicated (between high, mid and low wage classes in each sector). For example, Amsterdam had experienced partial polarisation (the highest and the middle wage class both shrunk but the lowest wage class rose) while Rotterdam had indeed become polarised. The earnings distribution in the public sector for both cities saw large decreases in the highly-paid jobs, in parallel to almost equal increases in the middle- and low-income jobs. This was largely due to the government policy of wage cuts and wage freezes, which caused a downward slide of the total earnings distribution in the public sector (Kloosterman, 1996).

Much more pertinent to the emergence of mixed neighbourhoods is the welfare states' provision of social housing, which softened the relationship between households' economic ability and their accessibility into the type and location of housing (van Weesep and van Kempen, 1992; van Kempen, 1994; Murie and Musterd, 1996; Musterd and Ostendorf, 2005). For example, various assistance mechanisms exist in the housing systems to help economically weaker social groups with housing allocation. As aptly argued by van Weesep and van Kempen (1992: 983):

"Housing allocation rules, statutory tenure protection, and housing subsidies modify the relationship between income and housing situation..."

The supply of social housing and its spatial distribution interfere with socio-economic inequality and its translation into spatial division. For example, it has been found in Amsterdam that the proportion of social housing in the total housing stock in the city during the 1980s was 43 per cent. This high proportion of public housing stock had dampened the segregation effects in relation to increased socio-economic disparity during the period (van Kempen and van Weesep, 1989). The provision of social housing and its effects on socio-spatial differentiation varies greatly from country to country. For example, the figure in

Greater London is 26 per cent.³⁸ For places with lesser public housing such as New York City, the figure is 5.1 per cent.³⁹ For Australian cities the state's role is even weaker e.g. 4.5 per cent in Sydney, and 2.6 per cent in greater Melbourne.⁴⁰ Overall, countries with greater state provision in social housing in Western Europe have been found to yield a lesser degree of social segregation than that observed in the United States (E. van Kempen, 1994; Peach, 1996; O'Loughlin and Friedrichs, 1996; Musterd and Ostendorf, 1998).

Gentrification and social housing

More recently, gentrification researchers (mainly in North America) have also emphasised the role of state housing assistances, such as the HOPE VI programme, which offer resistance to relocation pressures stemming from gentrification (Wyly and Hammel, 1999). According to these authors, the supply of affordable housing performs an 'anchoring' role to disadvantaged renters in gentrifying areas (Newman and Wyly, 2006). Consequently the lower- and/or middle-income social classes have been able to continue their residence in areas of upward social transition (Newman and Wyly, 2006; Ley and Dobson, 2008). For example, a 'unique patchwork of city, state and federal programmes... are woven together in New York City' which offers some measure of protection (Newman and Wyly, 2006: 41).⁴¹ Housing subsidies for the low-income households come in the forms of federal public housing, housing vouchers and Section 8, or New York State's Mitchell-Lama programme.⁴² Some also benefit from the city's voluntary 80/20 inclusionary zoning programme, but this has not yet become mandatory.

Like the role played by social housing in Western European countries, the

³⁸ Referring to the total of housing association and local authority dwellings, 2001 Census, cited in Atkinson, 2008: 2629

³⁹ Referring to its public renting stock, 2000 Census, cited in Atkinson, 2008: 2629

⁴⁰ 2006 Census figures, cited in Atkinson, 2008: 2629

⁴¹ New York also has a long history of private sector rent controls and tenant security measures (see Fairstein *et al.* 1992)

⁴² Section 8 and the Mitchell-Lama programme are both time-limited and the owners can opt out of the programme at the end of their contract so this source is not guaranteed for the long term. In fact most of the contracts would expire within the next 10 years, and the stock of affordable housing would face a reduction (Newman and Wyly, 2006).

supply of affordable dwelling helps to resist relocation pressure derived from inflating house prices and private landlords wishing to evict their tenants in order to cash in from selling their properties (Marcuse, 1986; Atkinson, 2000, 2002). The resultant mix of price and tenure in the housing supply could potentially form mixed neighbourhoods.

2.3.3 Policy-fostered socially-mixed communities

As mentioned earlier in this chapter, benefits of socially mixed communities/neighbourhoods have had a long history in academic discussion (Gans, 1961a; Jacobs, 1963; Sarkissian, 1976). Trial cases have also been experimented with throughout history (see Rosenbaum *et al.* 1998). However, the real proliferation of state- and policy-driven mixed neighbourhoods across many Western countries really took off in the mid- to late-1990s (Page, 1993; DETR, 1999; A. Smith, 2002; Kleinhans, 2004). In countries with a social mix agenda, developers are obliged and/or enticed by monetary incentives to participate in the creation of socially mixed developments. In some cases, developers are themselves public agencies.

The methods to create mixed neighbourhoods in these Western countries have generally taken two approaches. The first involved the use of state-led programmes to encourage the construction of mixed-income, mixed-tenure developments (Brophy and Smith, 1997; Rosenbaum *et al.* 1998; Jupp, 1999; Allen *et al.* 2005; Camina and Wood, 2009). The second involved state-assisted gentrification via urban policies that facilitate the redevelopment of poor and disinvested areas in order to attract the in-migration of higher income residents (Smith and Hackworth, 2001; Smith, 2002; Hackworth, 2002; Lees, 2003; Kruytoff, 2003; Cameron, 2003; Rose, 2004). Sometimes this approach has been called 'Housing re-differentiation', whereby the mono-tenure areas consisted of social housing are purposely broken up by the introduction of higher-income households induced by social mix policy (Kruytoff, 2003; Cameron, 2003).

Urban policies in Great Britain (DETR, 1999, 2000a, 2000b, DCLG, 2006); the Netherlands (Kleinhans, 2004) and the United States (A. Smith, 2002; Rosenbaum *et al.* 1998) support the desirability of socially diverse communities, and encourage the creation of communities that contain a mix of income, tenure, price range and dwelling types. The use of Section 106 agreements in the UK, the use of 30 per cent as a guide for public housing in new developments in the Netherlands, or the requirement that all communities with more than 1,500 residents should contain a prescribed 20 per cent of social housing (the national average) in France are some examples of this emphasis on social diversity in national policies in Europe (Hall and Hickman, 2002).

Essentially these policies are put in place by the states to counter market dictation. In the Netherlands for example, this implied the mixing of different tenure and prices of housing into one development, or introducing higher income housing into lower income areas and vice versa.⁴³ However, the appropriate scale for social mix is often unclear in these policy documents i.e. whether in a building, within an urban block or a neighbourhood, or entire region (see for example DETR, 1999, 2000a; DCLG, 2006). Existing cases of implementation have ranged from the insertion of a few middle-income buildings into a poor neighbourhood (Rose, 2004), to whole purposely built developments the size of a few urban blocks, which could qualify as small neighbourhoods (Allen *et al.* 2005). But the common thread is the aim to break up of mono-price range, mono-tenure, mono-housing type in the housing supply of these areas, which would then generate mixed communities. However, because China does not have a social mix urban policy, this mechanism does not help to illuminate the phenomenon.

2.3.4 Community resistance to urban redevelopment

The previous approaches have either emphasised market operations or the provisions of the state in influencing socio-spatial differentiation. But the

⁴³ In the UK, the policies of 'mix by insertion' is now being criticised for only putting higher income housing into poor areas and not vice versa.

defence strategies of socio-economically weaker groups to resist or counter the pressures of relocation were largely unaccounted for.

The community resistance perspective is based on the conflicts between community groups and development coalitions comprising developers and/or government over the use and exchange values of urban spaces (Logan and Molotch, 1987; Logan *et al.* 1997). Through resistance, communities can stop, minimise or halt the redevelopment of their homes or properties, which translate to the retention of lower income groups in gentrifying areas.

The approach stemmed from the theme of 'neighbourhood movement' which began in the 1970s in the United States that examines various locally-based initiatives to resist forces of globalisation and international division of labour in order to protect local economic and social stability (Fainstein, 1987). The branch of community mobilisation studies focus specifically on the roles, actions and outcomes of the local community in defence of their neighbourhood when it comes under pressure for development from the government, developers or a coalition of the two (Hartman, 1984). Rather than seeing local communities as passive agents, which are powerless in the division of urban space, this perspective sees local communities as active agents protecting their usage of properties and land. Coalition of interests from different factions of communities could be forged when threat to their communal use value is deemed under threat from developers or gentrifiers (see Abu-Lughod, 1994).⁴⁴

Fundamental to the understanding of spatial conflicts is the growth machine thesis proposed by Harvey Molotch and John Logan in the USA. The thesis builds on the view that land and properties possess both the 'use' and 'exchange' values (Logan and Molotch, 1987). A house for example, provides a "home" and place of residence for residents i.e. the use value. It also incorporates local amenities of residents (e.g. parks, shops) which would be lost if new development was granted. In contrast, "exchange values" from place

⁴⁴ Scholars have also noted that community coalition may not be stable, as factions holding different interests may shift priority and the coalition may disintegrate (Abu-Lughod, 1994; Sites, 2003).

appear as 'rent', which broadly includes the value of outright purchases as well as payments that home buyers or tenants make to landlords, realtors, mortgage lenders, real estate lawyers and so forth (Logan and Molotch, 1987: 23). The essential goal of rentiers or landowners is to maximize the overall exchange value of land and keeping human activities at the sites of their property interests. An alliance of interlocking pro-growth associations with landed interests by developers or with governmental units make up what the authors call the "growth machine". However, resisting communities (the 'antigrowth' actors) could sometimes alter the operation of the pro-growth regime (Logan *et al.* 1997; Wilson *et al.* 2004).

Following this line of thinking, instances of mixed neighbourhoods can emerge when the community successfully repels or mediates the advance of development. One of the outcomes is the preservation of existing sources of affordable housing from redevelopment in areas either planned for demolition or affected by gentrification (Abu-Lughod, 1994; Smith, 1996). Alternatively, residents could win compromises from developers, which could include a downscaling of originally intended schemes, which reduces the population to be relocated (Beazley *et al.* 1997). Thirdly, residents can obtain concessions from the developer or government to promise the construction of new affordable housing within contested areas (Hartman, 1984; Abu-Lughod, 1994). In the last two scenarios, the supply of housing for lower income groups have been retained among higher income groups. Spatially, different housing could be juxtaposed next to one another thus forming, albeit unintended, mixed neighbourhoods.

The chances of successful community opposition relate to a set of assets, including financial and political resources, residential stability, social hegemony and an array of organisations long in place (Logan and Molotch, 1987: 135). Pending on these, mechanisms of resistance can range from legal battles (Hartman, 1984), to local political mobilisation (Castells, 1983), to the building of resistance capacity e.g. training to improve negotiation skills with land lords and letter writing for petitions (Slater, 2003; Jackson, 2002 cited in Newman and

Wyly, 2006); to direct confrontation e.g. street protests, vandalism and threats (Solnit, 2001; Lees *et al.* 2008), and passive discursive persuasion (Wilson *et al.* 2004). Often the residents would combine any of these manoeuvres in tandem in their resistance (Wilson *et al.* 2004).

Furthermore, the political and economic context is often crucial to the outcomes of resistances. Firstly, most community mobilisation studies have been based in democratic societies where legal systems allow community groups to express and fight for their concerns. Examples from North America have been some of the most prominent (Castells, 1983; Newman and Wyly, 2006). But even within democratic societies, a community's ability to resist is also constrained by the national institutional set up. For example, Beazley *et al.* (1997) examined the redevelopment of Birmingham's CBD during the early 1990s and found that the local community had few channels to exert resistance to the development. This was because a) the pro-growth coalition was helped by a strong political consensus, and b) the community had no chance to interfere with the major bond issuing, which was to fund the project, due to limited information laws in the UK. This situation contrasts significantly with the more liberal North American context (p. 190). Secondly, local economic fluctuations can determine the amount of force exerted by coalitions on communities. Janet Abu-Lughod (1994) has shown that although the community's battle to resist the redevelopment of Lower East Side in New York was won in the early 1990s by residents' resistance to gentrification, their success was in part aided by the national economic recession. The recession had significantly reduced the cash flow of potential investors and diminished the attractiveness of real estate as an investment form, which alleviated the pressures of gentrification in the area (see also Smith, 1996).

2.3.5 Site characteristics and externalities

In a recent paper, David Ley and Cory Dobson (2008) explored the conditions which impede gentrification. According to the authors, their review was gathered from a 'scattered literature' as gentrification has mainly concentrated on the

facilitating factors. The study identified three main groups of demand side factors related to the culture preferences of gentrifiers (see Ley, 1996). These include the heritage value of architecture, the conditions of neighbourhood and its externalities (particularly disamenities like pollution and noise).

Firstly, heritage value deals with the gentrifiers' propensity for the aesthetics of heritage structures. Demand is generated as gentrifiers are drawn towards socially approved architectural stock and period features that could provide a 'landscape of distinction' (Bourdieu, 1984; Jager, 1986). For example Brownstones in Manhattan, Victorian bay windows in San Francisco, Victorian terrace and Georgian design features in London Mews (Lees *et al.* 2008). Architectural features such as exposed brick and timber of warehouses in loft conversions are also popular (Zukin, 1989). For gentrifiers, the absence of such characteristics devalues the houses. Any bland, non-iconic and mass constructed housing types, were said to contribute to a "spoiled identity for a cultivated taste" (Ley and Dobson, 2008: 2473).

Secondly, the neighbourhood condition relates to its local amenities such as coveted parks, natural features, views and presence of cultural or educational institutions. For example, waterfronts have been sites of major redevelopments such as the Thames in London (Davidson and Lees, 2005). The availability of good quality schools was important for middle-class families with children (Butler and Robson, 2003; Cheshire and Sheppard, 2003). The absence of these qualities or the perceived difficulty of accessing these facilities can depreciate the desirability of the neighbourhood.

Thirdly, local disamenities related to land use and economic functions in the area which could repel gentrifiers. Externalities include the presence of polluting industries and manufacturing facilities, truck and train traffic and the related noise or odours (Ley and Dobson, 2008). The same is true for social disamenities which are derived from the spatial concentration of poverty such as areas with high crime levels and disruptive street life (see Hamnett, 2003b; Berube, 2005). Poverty is often concentrated in lower-income areas (often

social housing areas and neighbourhoods with poor immigrant groups) and the presence of such disamenities could act as a disincentive for gentrifiers. For example in Downtown Eastside in Vancouver, the public policy to provide abundant social housing (e.g. 5,200 units plus the development of 16 more social housing projects) have 'diverted gentrification away' from these developing sites (Ley and Dobson, 2008: 2494).

2.4 A framework to examine the mechanisms of mixed neighbourhoods in post-reform Shanghai

Since a socially mixed pattern has occurred in central Shanghai in the absence of an urban policy that fosters mixed neighbourhoods, what theoretical framework would be suitable to explain the emergence of mixed neighbourhoods in this context?

As a hypothesis, the study proposes a composite framework which incorporates the existing strands of theoretical approaches. Due to the Chinese transition from a plan-led to a market-led system of urban development (Zhu, 1999), a number of parallels can now be identified with experiences from Western cities where existing theories were generated. In this section, I will try to argue that the present coexistence of the state and market mechanisms in urban development (Han, 2000; Fu, 2002; Wu *et al.* 2007) implies that both the polarisation thesis and the welfare state approach have some relevance to the rearrangement of social space in Shanghai. Furthermore, specific housing renewal programmes in Shanghai since the early 1990s contain social objectives that aim to protect the original, mostly disadvantaged, residents during redevelopment. Although these are not specifically aimed to foster mixed neighbourhoods like in the West (see A. Smith, 2002; DCLG, 2006), they constitute state interventions on the market, which have influenced urban development and its socio-spatial outcomes. Furthermore, one of the least disclosed, and researched aspects in China's recent urban development, is the role of community resistance. Studies on urban development have generally focused on the weak role of communities during development. This is

exemplified by numerous accounts of forced relocation, often involving significant scale and speeds (Dowall, 1994; Gaubatz, 1999; He and Wu, 2005). However, reports of community conflicts during the urbanisation processes in China have been on the increase.⁴⁵ This phenomenon suggests that community resistance should also be considered as a possible influence in the reorganisation of urban space. Finally, the hindrance imposed on urban redevelopment (and thus gentrification) due to specific site characteristics such as population density and site configuration had already been documented in China (Liao and Zhao, 1996; Y. Huang, 2006). These factors attributed to the uneven redevelopment of the old city and thus should be included in the framework.

Taking into account of these parallel changes, the author takes the position that each of the existing theoretical perspectives alone is too narrow to encompass the complex interaction of mechanisms involved in the reorganisation of urban space in post-reform Shanghai. The premature rejection of any one approach runs the danger of omitting the nuances of urban transformation that are specific to Shanghai's context. In the following section, I will try to illustrate the parallels between China's recent transformations and the existing theoretical approaches, during which, I will also forecast their pertinence to the case of Shanghai.

A new framework for post-reform Shanghai

At the macro level, China's economic reforms and industrial restructuring have brought the social polarisation perspective into relevance. Changes in Shanghai's industrial structure, employment structure and income differences are consistent with the polarisation thesis. Prior to reform, Shanghai was the most important industrial base for the socialist government (Yusuf and Wu, 1997). The trend continued until the 1980s. In 1983, with 1.2 per cent of the nation's population, Shanghai contributed 10.6 per cent of China's total

⁴⁵ see http://www.ce.cn/cysc/fcyj/jj/t20030922_125850.btk, and http://www.ce.cn/cysc/fcyj/zx/fcfx/t20031022_165942.shtml accessed on 30 May 2010

industrial output and 6.5 per cent of the national income (SSB, 1984). However, things began to change in the 1990s. The first Comprehensive Plan for Shanghai, approved in 1985, noticed the growing demand for services in the national economy. It recognised the need to diversify Shanghai's economic structure through the accelerated development of service industries. A follow up long-term development plan was designed in the early 1990s, which set the target to increase the tertiary sector's share in GDP from 37.9 per cent in 1993 to 50 per cent in 2000, and eventually to 65 per cent by 2010 (SMG, 1994 cited in Zhang, 2003). Consequently Shanghai's 8th Five Year Plan (1991-95) formulated an investment strategy, which prioritised the tertiary sector over the secondary and primary sectors and in that order (Han, 2000: 2098). Under state guidance, the tertiary sector has expanded while the secondary sector has contracted (Zhang, 2003). In 1978, Shanghai's GDP output from the secondary and third sectors were 77.4 per cent and 18.6 per cent respectively. In 2008, the balance of output had changed to 45.5 percent and 53.7 per cent respectively (SSB, 2009).

The main aim of China's industrial reform since the 1990s was to improve the efficiency of its large state sector. The state had been the main employer prior to reform. The industrial reform caused a drastic downscaling of the state sector, which has diminished the state role as the big employer. Consequently since the mid 1990s, a large proportion of state workers have been laid off. Between 1995 and 2004, the percentage of employed urban residents in China employed in the state sector has fallen from 59.1 per cent to 25.3 per cent, or a total of 45.5 million jobs (Yang, 2006: 74). Such reform means that the notion of state employment guarantees an 'iron rice bowl' has become a thing of the past (Tang and Parish, 2000). The official unemployment rate in urban Shanghai rose from 1.5 per cent in 1990 to 3.1 per cent in 1999 (SSB, 1999, 2000).⁴⁶ In parallel, the private and hybrid enterprise sector has since the mid-1990s become 'increasingly significant and perhaps the most dynamic component' of the Chinese national economy (Nee and Gao, 2005: 28). Within the sector, the

⁴⁶ The figure could be much higher. In 1995 when the official unemployment rate was 4 per cent, the actual unemployment rate could be as high as 12 per cent according to Shanghai's mayor, Xu Kuandi (cited in Zhang, 2003: 1570)

Sino-foreign joint venture and foreign company sector, result of China's 'Open Door' policy since 1978, had increased its share of employment. Data from the State Statistical Bureau of China (1995) showed that in 1994, private and hybrid organisational forms accounted for 25 per cent of the nation's total industrial output, compared to only 0.74 per cent in 1982.

The industrial restructuring had a significant effect on the employment structure. Between 1982 and 1994, the proportion of the labour force employed in the private/hybrid sector had risen from 1.29 per cent to 13.8 per cent (Nee and Gao, 2005).⁴⁷ In Shanghai, the eroding state sector provided 24.3 per cent of all the employment in 2000. This proportion fell to 20 per cent in 2004. In the meantime, the share of jobs in foreign-owned enterprises grew from seven per cent to 10 per cent, while the proportion of private and informal sector jobs jumped from 11.7 per cent to 27.2 per cent (Chen, 2007). Between 1990 and 2000, Shanghai's tertiary sector had gained more than 1 million jobs while the secondary sector has lost over 1.5 million jobs (SSB, 2001 cited in Zhang, 2003: 1562). The increases in high-end tertiary jobs such as finance and management and the contracting blue-collar labouring jobs in Shanghai are symptomatic of the Chinese State's decision to develop the service industry, and to transform Shanghai into a financial hub of the Asian region by 2005, and a global financial centre by 2010 (Shi and Hamnett, 2002). The industrial and employment transformation raises parallels to the polarisation thesis of the global city (Sassen, 1991).

Another important consequence of marketisation in China, and parallels the polarisation thesis, has been the increased social inequality due to economic restructuring (Bian, 2002; Tomba, 2004). Since the late 1970s, the Chinese government has permitted the relaxation of its extremely egalitarian wage policies of the past in order to promote greater efficiency and rapid economic growth (Knight and Song, 2003).⁴⁸ Consequently, income inequality of the

⁴⁷ The private/hybrid sectors are mainly comprised of four types of economic entities: self-employment business (*getihu*), domestic private firms, Sino-foreign joint ventures (*zhongwai hezi and hezuo*) and branch companies solely owned by foreign capital (*waiqi*) (Nee and Gao, 2005: 28).

⁴⁸ Since 1955 when the Chinese government began to standardise and unify the level of wages for state

population has increased significantly in the post-reform era. Sharp divides now exist not only between the urban and rural areas, but also between the coastal regions of the East and the inland regions of the West; and within cities themselves (Knight and Song, 2003; Yang, 2006). The data from national household surveys in 1988 and 1995 had shown that the Gini coefficient of urban wages in China had risen from 22.9 to 30.7 per cent during the period (Knight and Song, 2003). Despite the mean wage increasing by 52 per cent over the period, the pay of the 10th percentile rose by only 6 per cent, and that of the 90th percentile rose by 75 per cent. In 2008, the Gini coefficient of China has risen to 0.47, the same level as in the United States (Yang, 2010).⁴⁹ In Shanghai, the ratio of the disposable income of the richest decile of urban households to that of the poorest decile of urban households rose from 2.49 in 1990 to 3.96 in 2000 (SSB, 2001: 52). Shanghai's Gini index rose from 0.37 in 1994 to 0.45 in 2001 (Sassen, 2009). Income variation also relate to the emerging discrepancy in pay scales. Nee and Gao (2005) had found that average wages of foreign company employees in Shanghai were 132 per cent higher than their counterparts in state enterprises.

According to the polarisation thesis, spatial segregation of social classes is a physical materialisation of the contests over urban space exerted by their relative wealth differences via the real estate market (Sassen, 1991; Fainstein and Harloe, 1992). Shanghai has now established a market-based housing sector in the post-reform period on the back of numerous trials of housing reform since the 1970s (Wang and Murie, 1996, 1999; Hammer and van Steekenleberg, 1999; Zhang, 2000). The purpose of housing reform was to reduce the state dominated housing sector and to reduce its burden in housing expenditure (include rent subsidy, maintenance and housing construction) and to urgently upgrade the dilapidated and highly strained housing stock via the method of marketisation (Wang and Murie, 1996; Wu, 1996). Consequently, the state housing sector was reduced simultaneously by the privatisation of the

workers, the wage difference among the ranked tiers has reduced consistently. In 1956, the wage difference between the highest tier and the lowest tier of workers was 31 times. By 1985, the difference was reduced to only 10 times (Yang, 2006: 50).

⁴⁹ Moreover, Chinese city dwellers are now earning three and a half times as much as their fellow citizens in the countryside, the highest urban-rural income gap in the world.

existing state owned housing stock, and the development of a monetary allocation system for new worker's housing since the 1980s. Private sector commodity housing has also been developed since the 1980s to meet new demands from foreign investors attracted to Shanghai (Wu, 2000b, 2001). In 1998, the system of state allocated housing to workers was formerly abolished nationally (Lee, 2000). In the late 1990s, the state also opened up the secondary housing market, which allowed the privatised state housing units to be exchanged on the market in order to boost housing demand and to further assist the development of the commodity housing sector (Wu, 2002a). Since then, housing inequality in urban Shanghai had changed. Prior to reform, housing inequality was based on workers' affiliation with the communist party, types and position of the work-unit and the years of service to the work-unit (see Bian and Logan, 1996). Now a land gradient has been formed which differentiated housing prices from the inner-city to the periphery (Wu, 2002a; Li, 2003). Although some legacy of the socialist housing inequality still affects individual's housing outcomes (Y. Huang, 2005), households' income has become a strong determinant factor in the housing choice and residential mobility of urban households (Li, 2000; Wu, 2004). In other words, marketisation of housing has allowed income inequality to influence housing inequality.

The rising income inequality and the formation of the housing market in Shanghai strengthen the applicability of the polarisation thesis in this context. But on the other hand, the application of the polarisation thesis has limits in post-reform Shanghai because, at present, the economic power of households in Shanghai could only be exerted on market-based housing (i.e. privatised state housing or market-based commodity housing). In Shanghai, as in other cities in China, the state-owned affordable rental sector has remained despite its diminished scale (see Wu and Li, 2005). Furthermore, the spatial distribution of these affordable housing is random across the city due to uneven redevelopment (Y. Huang, 2005; Y. Huang, 2006a). The descriptions of the juxtaposition of existing old houses and new development across the city illustrate this mosaic phenomenon in the residence of lower-income groups

among the wealthier social classes in some neighbourhoods (W. Wu, 1999). A study by Yi Huang (2006b) on Shanghai's central Jing'an district support this pattern of tenure and socio-economic mix at the meso urban level. Since the state's effort to privatise housing of workers was not forced upon renters, many existing housing left from the pre-reform era has retained these renters, which are now spatially mixed among the new private commodity houses. In this way, this study believes the prediction by Fulong Wu only partially describe the picture of socio-spatial transition when he stated:

"It can be foreseen that residential differentiation will continue along with the enlarged land gradient and differentiated incomes, the deterioration of state-owned enterprises and the change from manufacturing to service industries" (Wu, 2000b: 1364)

I agree with Wu's prediction on the causal mechanisms, but crucially, I believe that their spatial implication will also be affected by the exiting social housing stock. I contend that the theoretical perspective of the Western-based welfare state approach has relevance in conjunction with the polarisation thesis. In Shanghai, the supply of market-based commodity housing exists in parallel with the persistence of affordable rental housing, which provides a mediating effect on the spatial segregation due to economic power. This is especially true in the central neighbourhoods such as the concession areas where the majority of Shanghai's remaining public rental houses are located (Wang, 2002; Li, 2004).

The co-existence of housing supply (market and state rental housing) in China, and the emergence of multiple niches of urban housing catering for different social classes (see Wu, 2000b; Wu and Li, 2005) now bring the welfare state approach into relevance. Just as van Weesep and van Kampen (1992) had argued in Western European welfare states, economic capacity is not the sole determinant of housing (either in type or location) in such mixed-economic conditions. With the increasing market housing sector, and increasingly differentiated income among urban households (Yang, 2006), social housing is now playing a similar role to those in Western cities which 'anchor' the poor and

the disadvantaged social groups in areas of increasing housing prices (Newman and Wyly, 2006). From this perspective, the Western European welfare state approach's emphasis on social housing and housing subsidies have important relevance in explaining Shanghai's emergence of social mix.

Moreover, the state continues to play a significant role during urban development in China. By in large, the state fosters private sector involvement in urban renewal (see Yeh and Wu, 1996; Wu, 2000; He, 2007). On the other hand, several housing renewal programmes such as the Housing Amenities Fulfilment Initiative (HAFI, 1991-2000), and its successor the New Round Redevelopment Initiative (NRRI, 2001-2005), both intended for redevelopment projects to retain a portion of original residents during the redevelopment process (Xu, 2004; Tian and Wong, 2007). Since the city centre is favoured by luxury housing development aimed for the new urban elites (Wu, 2000b; He and Wu, 2005; Tian and Wong, 2007), the preservation of original residents (lower income group) in central Shanghai would contribute to the formation of mix neighbourhoods as the surrounding areas become upmarket developments. In nature, these programmes are different from the Western urban policies because they did not have the original intention to foster social mix. However, they are just as likely to produce similar socio-spatial outcomes. Hence this strengthens the applicability of the Western European welfare state approach that emphasise the role of the state.

In addition, I hypothesise that local communities can also be active participants in the development process in Shanghai. This view challenges the general stance of scholars working on post-reform China. Since the early 1990s, a large body of studies had revealed the large scale demolition and relocation of original households (sometimes entire communities) during the process of urban renewal (Dowall, 1994; Gaubatz, 1999; He and Wu, 2005; Shin, 2007). The local communities were generally treated by these studies as passive and weak participators in the division of urban space. A good example is provided by the telling of the immense scale and speed of relocation involved in a luxury housing development in Shanghai's Taipingquao area (He and Wu, 2005).

However, more recently, reports of community resistance, protest, and legal challenges to resist planned development or bargain for higher compensation have increased around China. The proliferation of ‘nail households’ (i.e. households who refused to be demolished, who are trapped in a sea of rubble as their surrounding dwellings had been demolished), suicide protests, and litigation cases are just some examples.⁵⁰ The growing quantity and intensity of these resistances suggest that the expectations to identify mechanisms generating social mix should also allow for the possibility of community resistance (i.e. as active agents in redevelopment), despite being previously overlooked.

Supporting this expectation, the Urban Housing Demolition and Relocation Management Regulation (UHDRMR), original version approved on 18 Jan 1991, was revised and promulgated on 1 Jan 2001. The new regulation was aimed to clarify the rules and procedures regarding relocation, in order to protect urban citizens during demolition and relocation, and to regulate the ways in which demolition companies carried out their work. Point 13 of the regulation stated that agreement must be made between the relocation company and the relocatee before demolition. Agreements have to cover the method and amount of compensation, location and condition of relocation housing, the period of relocation and coping methods for relocatees in-between the demolition and reallocation. Moreover, point 16 states that when agreements cannot be reached, the department responsible for administering relocation should make a ruling. Any relocatees unsatisfied with the ruling can appeal against the ruling at the People’s (Magistrates’) Court. The regulation also stated that compensation can be either monetary or in-kind housing, agreed by relocatees. In addition, point 24 stated that the value of monetary compensation will be based on the market value of the dwelling concerned, depending its location, usage, and size.

Furthermore, the Property Right Law (PRL) of the People’s Republic of China

⁵⁰ For examples of resident retaliation and resistance, see http://www.china.com.cn/international/txt/2007-05/29/content_8313653_2.htm, http://www.ce.cn/cysc/fcyj/jj/t20030922_125850.btk, http://www.ce.cn/cysc/fcyj/zx/fcfx/t20031022_165942.shtml all accessed on 30 May 2010.

(PRC) was promulgated on 16 Mar 2007.⁵¹ This law represents a major step forward in recognising and protecting personal rights in China. It clearly stipulated the protection of legal property of all national collectives (e.g. rural villages) and citizens. Point 66 of the PRL stated that personal legal properties are protected under law. It forbids any government unit or individual from invading, raiding or destroying personal legal properties. Consequently, this suggests we are likely to see improved protection of residents' rights during redevelopment, when the rights to possession and property are clearly stipulated and recognised by law.⁵²

At the moment, scholars have pointed to grey areas regarding the execution of UHDRMR and PRL, which does not suggest residents' rights in cases of redevelopment are fully protected. For example, the court ruling which agreed with the forced relocation by court on the famous nail household in Chongqing.⁵³ Nevertheless, increasing cases of retaliation by residents, and revisions of the law to protect property rights represent potentially increasing power for communities to defend their dwellings in situation of conflicts. In cases of successful community defence, groups of lower income social classes would be retained, whereby creating opportunities for mixed income neighbourhoods to occur.

Finally, the framework also includes site characteristics as a mechanism of generating socially-mixed neighbourhoods. Several scholars have already studied urban land plots containing low potential return of investment due to irregular shapes; or sites containing high residential density (i.e. higher relocation costs) which raises the difficulty and costs of development have been the primary reasons for the irregular pockets of remaining dilapidated housing in the wake of government-led housing renewal programmes (W. Wu, 1999; Liao,

⁵¹ See <http://www.wyfwgw.com/laws/29.html> accessed on 31 May 2010

⁵² Tenants in social housing can also receive compensation during relocation. The housing bureau managing the dwelling, or the work-unit in possession of the dwelling would receive 20% of the value of compensation, while tenants will receive 80%. For privately owned dwellings, owners in possession of the use-right of dwellings will receive 100% of the compensation, while longstanding tenants of these dwellings (i.e. those who were already residing in such a dwelling before 1965, and are not in possession of another dwelling) can also receive 80% of the value of compensation during relocation (Personal communication with a senior official in Jing'an District Planning Bureau on 17 Oct 2010).

⁵³ See <http://news.qq.com/a/20070402/001202.htm> accessed on 31 May 2010

and Zhao, 1996; Y. Huang, 2006a). The spatial consequences are sporadically distributed pockets of poor, existing housing estates, which have been left undisturbed, juxtaposed next to newer, higher-income development, which contribute to a socio-economically mixed cityscape (W. Wu, 1999), or a 'mosaic consisting of different randomly distributed patches of housing areas' (Ma, 2004; see also Huang, 2006a).

These financial and institutional/structural factors on the supply side have no doubt contributed to the retention of some original housing estates in the centre of Shanghai. However this approach has three key shortcomings. Firstly it overlooked the demand side consideration on the increasingly differentiated buyers in terms of financial capability as a response to economic restructuring (i.e. polarisation thesis). Secondly, it ignored the other supply side implications on the persistence of state rental housing sector (i.e. welfare state approach) and state-led housing renewal programmes in Shanghai (i.e. state-led approach). Thirdly, it dismissed the possibility of community mobilisation in the development process (i.e. the community resistance approach). Consequently, this site characteristic perspective should only form part of the explanation for the creation of socially mixed neighbourhoods in post-reform Shanghai.

Table 2-1 summarises the existing Western-based theoretical approaches on socio-spatial differentiation, and their hypothesised relevance to Shanghai's context. By picking the relevant aspects from strands of existing theories, the modified framework tries to avoid the hazards of generalisation, by adopting a framework specific to the time-space specific context of transitional Shanghai. The hope is to reveal a holistic and nuanced understanding of the urban development process specific to the city and the period in question. These tools/explanatory theories and perspectives will be further tested and explored in the empirical work of later chapters.

Table 2- 1 Comparison of existing theories on socio-spatial differentiation

Schools of approaches	Polarisation thesis	Welfare state approach and social housing provision	Policy-led mixed neighbourhoods	Community mobilisation and resistance	Site characteristics
Spatial impacts	Social segregation caused by competition for urban space via real estate between the wealthy elites financially weaker groups	Reduced degree of social segregation despite economic restructuring. Social segregation dampened by the supply of affordable or social housing in areas of high property values.	Socially-mixed developments fostered by state's urban development policy	Juxtapositions of rich and poor residents in gentrifying areas or new redevelopment areas due to the post-conflict retention of affordable housing	Areas that repel or stop the encroachment of gentrification
Focus on	Economic restructuring, income and employment inequality and polarisation	State policies on social housing, housing subsidies, and income assistance for disadvantaged social groups	State policies to foster social mix, and mechanisms to entice mixed-income developments	Human agency and community organisation to resist development or gentrification	Unattractive site conditions and externalities which discourage investment by gentrifiers
Relevance to China	Economic restructuring have lead to increasing income inequality. Newly established housing market have allowed households' differentiated financial power to filter citizens into different niches of the housing market, which are located according to land gradient	Although diminishing, the existing social housing stock continue to provide affordable social housing in prime urban locations thus retaining lower income groups in good areas.	No development policy on social mix, but some housing renewal programmes aimed to assist the return of original residents after redevelopment, which may cause mixed estates	None recorded prior to reform, but recently have saw a proliferation of protests and conflicts by residents, raising the possibility of successful attempts to challenge development decisions against residents' wishes.	Plots of poor development potential due to site constraints have hindered the redevelopment of the central city

3 Social mixing: a literature review

3.1 Introduction

I had already introduced in chapter 1 that social mix urban policies have been proliferating in many Western countries. The benefits of mixed neighbourhoods extolled in both policies and academic literature is built upon the assumption that social interaction of different social groups is a corollary of residential mix. But how do different social groups interact in residential proximity? Which theories support or are against this claim? More importantly, how do different social groups interact in Shanghai's mixed neighbourhoods? Here I will review existing experience (mostly from the West) for clues to Shanghai's situation.

This chapter is organised into 5 sections. After this introduction, section 2 will review the existing knowledge on social interaction in China and Shanghai. It will highlight our current gaps in knowledge and provide a hypothesis for the intra-estate social interaction in central Shanghai's mixed neighbourhoods. Section 3 reviews inter-estate social interaction. It summarises theories on the relationship between social mix and social mixing. Researchers have explored whether social mix leads to social mixing, and which factors or barriers could influence the interaction among social groups living in proximity? Proponents and opponents of the theoretical link will be summarised. Section 4 will review case studies of social mixing in mixed neighbourhoods. Examples are drawn from: a) specifically designed mixed neighbourhoods/developments, and b) gentrifying areas where higher income groups have been introduced to or infiltrated areas previously resided by lower income groups. These examples will offer clues as to how different social classes behave as neighbours, and may offer templates for the inter-estate social dynamics in Shanghai's mixed neighbourhoods. Section 5 will review the shortcomings of existing researches on social mixing, and highlight areas in which this research will try to improve on.

3.2 Urban restructuring and social interaction in China

As explained in chapter 1, social mix has not been a policy agenda in China. However several authors have acknowledged a widespread phenomenon of social mix observable in large Chinese coastal cities (W. Wu, 1999; Ma, 2004; Y. Huang, 2005). But until now, the knowledge on the extent of social mix and the effects on social mixing in the country is still very limited.

As such, this exploration on social mix and social dynamics in urban neighbourhoods would fall in line with the call by scholars working on post-reform Chinese urban transformation for more micro-level investigation of neighbourhood changes (Wu, 2002a; Wu and Li, 2005; Li and Wu, 2008). Findings would complement the existing macro-level studies on the physical restructuring of urban space of post-reform Shanghai (Ning and Yan, 1995; Gaubatz, 2005), the socio-spatial differentiation that is occurring in parallel (Wu, 2002a; Wu and Li, 2005, Li and Wu, 2008), and studies on socio-economic impacts on housing estates due to redevelopment (Li and Wu, 2006a; He and Wu, 2007).

3.2.1 The need for meso level studies

To date, micro level studies have often focused on the social impacts of urban redevelopment on distinct residential estates. Although they were generally referred to as neighbourhoods by their authors, in reality they were closer to individually walled residential estates or compounds of roughly 1,000 households. These studies had revealed the increasing social inequality among residents and the uneven nature of current urban transformations (Wu and He, 2005; Tian and Wong, 2007; He and Wu, 2007). Data for these studies were mainly derived from empirical surveys, which overcame the deficiency of population data at disaggregated spatial levels in China (Wu and He, 2005; Li and Wu, 2006). The data deficiency inhibiting the study of socio-spatial differentiation and social mix in China had been explained by Li and Wu (2008):

“A major obstacle for sociospatial studies in the Chinese context is their over-reliance on published macro data, as these data are the only available sources. Generally, the quality of such data is poor. For this reason, early Chinese urban studies show an almost total absence of detailed field-based research. Xu and Hu (1989) and Yeh et al. (1995), for instance, studied Guangzhou’s social area in 1984 and 1990. Sit (2000) uses data from 1985 and 1990 to map Beijing’s social area, covering 96 subdistricts (jiedao). Using data from a 1998 survey, Gu and Shen (2003) examine the urban mosaic of post-reform Beijing. Also for Beijing, Feng and Zhou (2003) compare its sociospatial structure in 1982 and 2000 and illustrate the underlying mechanisms. However, the data used in all these studies are on the level of subdistrict, the population of which is normally around 50,000-100,000, equivalent to the size of a small to medium-sized town in the West. In their studies, several such spatial units are grouped into one type of social area, assuming that the characteristics of residents are the same.” (p. 408)

The key problem of this is that:

“... subdistricts tend to contain a diversity of residential spaces, with different population characteristics and residential landscapes. Specifically, there is no answer as to what is the extent of residential segregation.” (p. 409)

Li and Wu’s (2008) study of Shanghai’s socio-spatial differentiation used the city’s 2000 Census data, which was broken down to the scale of the resident committee (the lowest spatial unit yet used in studying Chinese cities). Using the Index of Dissimilarity, they found prominent spatial variation in housing tenure, especially between purchased commodity housing and rented public housing. They conclude that:

“Most communities are characterised by homogeneous tenure and heterogeneous population. In all, post-reform urban China is characterised by tenure-based residential segregation.” (p. 404)

However, this study would contest that using the scale of the RC is still too big to capture the extent of social mix in many central areas. Investigations at a smaller spatial scale would be more appropriate to examine the contrasts of residents' socio-economic attributes and housing types to go beyond the limit imposed by the smallest unit used in the Census, and overcome the problem of 'ecological fallacy' (Johnston and Herbert, 1976). In general, Census data limits the investigation of socio-spatial differentiation and social interaction in three ways:

"Firstly, they deal with population aggregates (usually several hundred households) and thus interpretation faces the issue of the ecological fallacy of making inferences about individuals from data on groups. Secondly, it must be reiterated that the data used almost invariably refer to 'objective facts' about individuals and households; their occupation and ages are recorded, as are their dwelling types and tenures, but not their social attitudes and aspirations, their social contacts and life styles...Finally, it must again be stressed that the real units employed in such analyses are arbitrarily defined, usually for logistical purposes in census-taking. The social areas defined from them are not communities, therefore, or even neighbourhoods as that term is often used, because of both the absence of any data on social networks and the social irrelevance of many of the boundaries." (Johnston and Herbert, 1976: 14)

3.2.2 Predominant approaches in studying residents' social dynamics

Tracing back to Wu and Li's (2002) early observation that recent neighbourhood interaction in Shanghai has become more diluted than the past, researches on residents' social interaction, local ties and attachment to local neighbourhoods is only slowly emerging (see Wu and Hu, 1997; Zhang *et al.* 2001). In China, studies in this area had so far operated at three main geographical scales. The first group were based on city-wide surveys of residents' social bonds and attachment to neighbourhoods (Tian, 1997; Miao, 2001). But these studies generally suffered from ill specified sampling criteria, which cast doubts on the authority of both the surveys and the generalisations derived from the findings.

The second group had investigated social bonds of particular districts within a city (Wu and Hu, 1997; Zhen, 2000; Zhang *et al.* 2001; Sun and Lei, 2007). These studies had in general adopted more strict sampling methods, and specified their study boundaries. For example Zhang *et al.* (2001) studied Shanghai's Hongkou district and compared the neighbourhood bonds among residents of different housing types within the district. Sun and Lei (2007) whose work on the old districts of Beijing were able to show the impact of redevelopment on the old quarter and the diminishing effects on social relations on these longstanding residents.

The third group used a more systematic micro-level investigation of resident interactions on discreetly individual estates, where the socio-economic status of residents was largely homogenous (Y. Wang, 2002; Wu and He, 2005; Forrest and Yip, 2007). These authors had usefully categorised housing estates into distinct types e.g. high-income and medium-income commodity housing, dilapidated lane houses etc., which helped to establish generalised differences among them (Wu and He, 2005; Forrest and Yip, 2007). However, the homogenous nature of the estate meant that the findings were limited to same class social dynamics among residents of the same housing estate.

In addition, the varieties in sampling techniques, geographic boundaries, and the attributes measured by researchers had been inconsistent, making comparisons of results difficult. Moreover, the lack of study on the patterns of social interaction among residents living in adjacent estates (i.e. inter-estate scenarios) has meant that the degree of social mix and the types of cross-class social interaction as a result of recent urban redevelopment has not been explored, and the social consequences of mixed neighbourhoods remained unexplored.

3.2.3 Current knowledge on intra-estate social interaction

In pre-reform, socialist China (1949-1977), there was a great degree of social interaction among neighbours in urban residential compounds and estates.

Whyte and Parish (1984) had found in their interviews of residents in traditional *lilong* estates and workers' apartments that strong social ties were characterised by frequent interaction, mutual help and conflicts in these closely knit living conditions. Several institutional factors were identified to be integral to this.

Firstly, housing estates at the time provided the predominant social worlds for urban residents as personal mobility and access to telecommunications were strictly restricted under the socialist regime. Thus residents were more likely to have more frequent contact with neighbours than their non-immediate family members for example. Secondly, the socialist live/work relationship due to the socialist housing system meant that co-workers, who spend most of the days working together, would often double as each others' neighbours (Wu, 1996; Wang and Murie, 1996). So the long duration of being in mutual company contributes to the development of familiarity and bonds among neighbours. Thirdly, because one's housing was allocated by the government or by one's work-unit, the location of housing was not by choice. Therefore, the movement of households in urban areas was "not a function of their socioeconomic status and family cycles but rather (was) dependent upon the available funds in their work-units and upon state housing policies" (Wu, 1996: 1619). Consequently, most residents have lengthy and stable tenures in their estate, and this residential stability helped to develop familiarity and friendships among neighbours. Fourthly, the severe shortages in material goods and housing facilities found under the ruling regime (i.e. residents sharing kitchen and WC etc) meant that households generally had to adopt mutual assistance as a coping strategy, which implied a strong inter-dependence between neighbours. For the same reason, there was a stronger incentive to maintain some form of relationship with ones' neighbours (Whyte and Parish, 1984).

Fifthly, the socialist regime also placed great emphasis on ideological cultivation e.g. the concept of the 'collective good'. So until the late 1970s, the private spheres of citizens were constantly intervened by the State via manoeuvres related to "regulating the disposable amount of leisure, regulating the forms of leisure, and regulating the contents of leisure" (Friedmann, 2005: 79). The

doctrines of the collective identity was practiced at the neighbourhood level with extensive after-work activities such as 'volunteered' work, political study meetings or organised viewing of propaganda movies. The participation in these activities had the effect of significantly reducing the amount of personal leisure time and entertainment options (Friedmann, 2005; Broudehoux, 2004 cited in Wu *et al.* 2007: 250-251). In such a way, social relations among neighbours were greatly influenced by the state, as residents generally had little alternative options apart from one's neighbours for social companion. Lastly, interpersonal relationships in urban neighbourhoods were also fostered by the presence and mobilisation roles played by resident committees (Whyte and Parish, 1984; C. Chan, 1993; Read, 2000), which organised and coordinated functions such as community events, conflict resolution and social welfare provision. The combination of a shortage economy, residential stability, and limited ways to generate extra-neighbourhood social companions had attributed to the strong interaction and neighbourly ties in urban China during the socialist period. As Whyte and Parish (1984) stated:

"The shortage of free time, the paucity of communication and transport facilities, the reduction in festival occasions, and the absence of outside entertainment, as well as an increasing stability of residence, all helped to create this turning away for distant kin and friends toward the immediate family and neighbourhood." (p. 336)

Since the economic reform in 1978, the intra-estate social ties among residents have been found to decrease as one moves from traditional estates to newly developed commodity estates (Zhang *et al.* 2001; Forrest and Yip, 2007). For example, Forrest and Yip (2007) found in Guangzhou that respondents in old urban areas have a slightly stronger sense of belonging to their neighbourhood than respondents in commodified housing areas. Furthermore, residents in traditional estates appeared to have a stronger attachment to their neighbourhood. When given the opportunity to move out of the neighbourhood, less proportion of respondents in old urban areas would move compared to respondents in commodified housing areas. In a similar vein, Wu and He's

(2005) study of Nanjing used 2 indices to compare the residents' degree of interaction and their attachment and commitment to the neighbourhood. The first index, based on a series of indicative questions, indicated that the poorest and most dilapidated neighbourhood had the best social interaction, while the significantly developed neighbourhood had the lowest interaction.⁵⁴ The second index indicated that the estates which have undergone no, or only gradual and partial redevelopment have retained greater residential attachment to the locality than an estates that has undergone rapid, large scale redevelopment.⁵⁵

Studies in China's post-reform cities have shown that residents in older estates have a higher frequency of interaction, more frequent exchanges of mutual help; deeper knowledge of neighbours, and stronger attachment to their neighbourhood and involvement in local affairs. In comparison, social ties found among neighbours in new estates are weaker (Y. Wang, 2002; Forrest and Yip, 2007).

Due to the lack of private WC, bathrooms and kitchens, the sharing of facilities in the more traditional housing types like the *lilong* and workers' apartments has been identified as a factor in the stronger neighbourhood ties found in them (Zhang *et al.* 2001). But such acts are now being lost due to urban redevelopment as these facilities are being internalised in separate dwellings; thus diminishing the opportunities or imperatives for neighbours to interact (Wu and Hu, 1997). In some cases, even conflicts among neighbours in traditional residential estates have decreased (Sun and Lei, 2007).

In addition, the study of Zhang *et al.* (2001) illustrates that the differentiating social classes in urban Shanghai have taken on different lifestyle and consumption habits. They found that residents in high-rise housing (i.e. more

⁵⁴ The indicative questions include whether residents know the background of their neighbours; whether they socialise with neighbours on a frequent basis; whether neighbours are their major contacts of social activities; whether they have offered or received help from neighbours in the last six months; and their attitudes towards neighbourhood relation. Answers to each question were weighted to give a figure of the strength of interaction.

⁵⁵ The index was based on questions that asked residents' willingness to participate in redevelopment activities; approval attitude towards developing partnership with developers and the government; willingness to act collectively with neighbours when the community faces a threat; stayed in the neighbourhood for long time; and support environment construction.

expensive dwellings) not only spend more money each month on leisure activities, but they also opt for different kinds of leisure activities than residents in traditional housing forms. This divergence in lifestyle represents potential factors to influence the local social interaction in mixed neighbourhoods.

Based on the existing knowledge, which is exclusively on intra-estate social interaction, I expect to find a stronger degree of intra-estate social interaction in traditional estates in the mixed neighbourhood. A consistent set of indicators will be used across the five housing estates to test their difference. These are based on the residents' knowledge of neighbours, their frequency and types of interactions, the depth of engagement, and the exchange of mutual help and conflicts. These indicators will provide a more comprehensive understanding than any existing study on residents' social behaviours towards neighbours from the same estate.

3.3 Inter-estate social interaction: Does social mix lead to social interaction?

Regarding the inter-estate social interaction in Shanghai's emerging mixed neighbourhoods, the issue rests on will the socio-economically contrasting residents interact with each other? Therefore the key theoretical issue to be addressed here is whether social mix leads to social mixing. Since there is no existing knowledge on this area in China, I shall consider relevant literature from the West. Both the supporting and opposing arguments by researchers will be reviewed to construct my hypothesis for the inter-estate social interactions in Shanghai.

3.3.1 Supporting literature

Proponents of this relationship are heavily based on the factor of residential propinquity.

Residential propinquity fosters social interaction

Residential propinquity has long been argued to contribute positively to social interaction. For example, Festinger *et al.* (1950) found that students located in rooms close together had higher levels of friendship than those in more distant rooms. The authors accredited this to higher levels of chance encounters leading to more intimate relationships. Elsewhere, Cooper (1975) found that families living in cul-de-sacs in a housing project in Easter Hill village of San Francisco visited 40 per cent more families in the development than did residents in traditional row houses. The argument is that cul-de-sacs and clusters of houses around a green increases local interaction.⁵⁶ However, we can argue that these studies were conducted on residents of similar socio-economic classes. Whilst their observation may be accurate for the same-class social interaction, whether proximity works for cross-class interaction cannot be proven by these studies.

Argued from the opposite direction, distance has been found to reduce social relationships. Stutz (1973) found in a study in San Diego that all the neighbours known to residents were within one mile of their residence. Moreover, there was a rapid decline in the number of friendship contacts after six miles of distance apart and there were virtually none after fifteen miles. Elsewhere, Atkinson and Kintrea (2000) also found in a mixed neighbourhood in Scotland that “only short distances were needed to prevent (residents’) associational ties from developing” (p.101-102). Kleinmans *et al.* (2000) also detected a strong internal orientation in owner-occupied housing in recently restructured neighbourhoods. When residents of these estates voluntarily engaged in social contacts with other residents, these were almost exclusively with people from their own apartment block or street (see also Cole *et al.* 1997: 64).

3.3.2 Contesting literature

In opposition, there are more sceptics who question the link between physical

⁵⁶ Such a belief accounts in part for the widespread adoption of these design principles in many new town and neighbourhood unit schemes (Davies and Herbert, 1993: 63)

social mix and social interaction. The crux of the doubt can be drawn from this statement by Atkinson and Kintrea (2000: 96), who wrote:

“It is one thing to suggest, as Wilson (1987, 1996) does that it is the withdrawal of the middle class that has led to a damaging introspection and the emergence of an underclass in a socially unbalanced ghetto. It is quite another to propose that socially integrated areas can be rebuilt.”

The main barriers had been raised by Gans (1961b: 178) almost four decades ago:

“Sizable differences, especially with regard to fundamental social and economic interests, are not erased or set aside by the mere fact of living together.”

Moreover, numerous other factors beside residential proximity can also influence interpersonal relationships, including family, work, friendships, and shared interests (Forrest and Kearns, 2001; Kleinmans, 2004). The inclination to socialise with others not only involves personal income, but is also influenced by different stages in a person's life cycle (Suttles, 1972: 37-42). Such complexity of life situation on the likelihood of interaction is illustrated by Goodchild and Cole (2001: 115):

“Children, mothers with young children, and old people are likely to be more dependent on a locality than people of working age with access to a car. Likewise, people on low incomes are less likely to possess the financial resources to sustain social networks at a distance”.

These dimensions which interfere with people's potential to socialise have been illustrated by Fischer (1982: 254):

“People's position in the social structure - their educational and financial resources, status in the labour force, ethnic membership, family commitments, residential locations, and so on - expose them to varying opportunities for

forming personal relations and provide them with varying means for taking advantage of those opportunities. The woman who works outside the home, for example, meets an entire set of people, some of whom may become her friends, that is unavailable to the woman who does not work. (The latter has a somewhat easier time, however, getting to know her neighbours.) The working woman who has two children to care for has more difficulty making and keeping such potential friends than does the childless working woman. The man who has lived in several communities has had the chance to meet many more possible friends than one who has lived in one place all his life, but whether the roamer holds onto his far flung ties or is alone in his new community depends in part on his income, family burdens, vacations schedule and so on.”

These are why some authors stress the complexity of the socialisation processes (e.g. exchange, conflict, inter-dependency) involved in creating communities, and doubt that policy makers and planners are ever in a position to exercise significant control over the range of processes through which communities are constructed (Crow and Allan, 1994). Overall, these studies suggest that the relationship between living together and social interaction is highly complicated. Simply placing people of different classes or preferences in a neighbourhood may not naturally lead to (positive) social interaction. The following section will summarise the potential barriers for socialisation between groups/classes of people.

Socioeconomic differences among individuals

Status of employment, levels of wealth, and related consumption abilities of different people (e.g. car ownership, extra-neighbourhood leisure or shopping activities) can lead to the occupation of different social worlds, i.e. locations of work, leisure and consumption (Atkinson and Kintrea, 1998, 2000; Jupp, 1999; Kleinhans, 2004; Arthurson, 2007). As Henning and Lieberg (1996) have found in their study of a Swedish neighbourhood, that the local neighbourhood is more important for blue-collar workers than for white-collar residents. For the middle classes, the local neighbourhood is just one of many arenas of social networks,

and they tend to have stronger ties outside the neighbourhood. Conversely, as Goodchild and Cole (2001) have commented, that renters, poorer families and those without convenient transportation may be limited to living in their immediate surroundings, hence increasing the importance of locally-based social interaction for these people.

Life stage of individuals

Children have been argued as a social lubricant that can bring them and their parents into contact (Suttles, 1972). People with children have potentially more opportunities to mingle with other parents and construct local social networks than singletons e.g. parents can get to know one another through local nurseries or utilise the 'nanny network' (Butler, 1997). As children move through the school system, the availability of appropriate schools in the local area become important criteria for relocation decisions of some families (Butler, 1997; Butler and Robson, 2003), and may thus break up the existing local social network. Also the neighbourhood may be more important for children, elderly and handicapped people, who are likely to spend more time in and around home than people in full- or part-time work (Henning and Lieberg, 1996). However, studies have also shown that children and schools alone may not be enough for cross-tenure ties to be generated for parents (Atkinson and Kintrea, 2000: 101-102; Beekman *et al.* 2001)

Cultural preferences and perceived differences between individuals

Several studies have shown that people have an inclination to gravitate towards people who share similar attitudes and/or preferences so that different grouping/classes of people tend to 'self segregate' (Butler, 1997). Without similar background, interests or values, it is very difficult for any contacts to develop beyond the "polite exchange of greeting" (Gans, 1961b: 176). The same thinking has led Crow and Allan (1995) to point out that the 'perceived social distance between outsiders and the existing community is a key factor to consider when helping outsiders to become attached to existing communities

(cited from Atkinson and Kintrea, 2000: 96). Therefore sometimes external assistance or channels needs to be provided for cross-tenure socialisation to take place (Jupp, 1999).

Conflicting interests among groups

Conflicts between social groups over the control of boundaries or public spaces can lead to the exclusion of certain 'unwanted' social groups e.g. house owners denying the homeless access to parks or the prohibition/discouragement of young people to hang around street corners to make the localities appear 'safer' (Abu-Luhgod, 1994; Blomley, 2004; Freeman, 2006). Wilton's (1998) study of a community's resistance to facilities for disabled people has also shown how the psychological urge to defend the individual and collective identity in a homogenous neighbourhood is stimulated when threats of outsiders are introduced. Such a desire for living among one's own kind is non-conducive to interaction in mixed communities. Although conflict is arguably a form of interaction, it is not however, a preferred kind of interaction that is conducive to social capital formation, and is against the principle of social cohesion for mixed communities.

Fear of neighbours

Tensions in neighbourhoods could also exist in relation to crime, fear of crime, and antisocial behaviour. For example Cole and Shayer (1998a: 42) have documented an example in a mixed-tenure redevelopment in the North East of England where the fear of crime in the local area has led owner-occupiers to request the construction of a wall around a newly refurbished area of social housing. Similarly, Foster and Hope (1993: 90-92) have reported an example of an estate in Hull, England, where, faced with the growth of a criminal deviant subculture amongst young people living in a tower block, respectable residents campaigned for the local authority to remove their troublesome neighbours. Thus fear can create a strong disincentive for neighbours to interact.

Design of the built environment

The designs and layout of a development can encourage or discourage social interaction between neighbours (Gans, 1961a). Derived from fear, gated communities have been purposely built for the defence and exclusion of undesired social groups (Blakely and Snyder, 1997; Blandy *et al.* 2003). Increasingly, such examples have been observed in China, where many new upmarket developments are gated, with walls, CCTV and full-time security guards to guarantee the safety and exclusive use of the estate amenity to the estate's residents (Wu and Webber, 2004). Likewise, the design of public spaces and the internalisation or privatisation of services (e.g. private access to estate compounds and facilities) has been found to exclude residents living adjacent to particular housing developments (Skjaeveland and Garling, 1997; Roberts, 2007; Davidson, 2010).

Moreover, the separation of different tenures into discrete zones in mixed estates has also been found to discourage cross-tenure social interaction (Jupp, 1999; Atkinson and Kintrea, 1998, 2000). This has led many researchers to recommend 'pepper-potting' of owners and renters in order to foster greater mixing (Page and Boughton, 1999; Jupp, 1999; Beekman *et al.* 2001; Andrews and Reardon Smith, 2005). In addition, the design and features of mixed-(income/tenure) homes has been recommended to be homogenised as to disguise tenure differences in order to limit the potential for stigmatisation of social housing and its residents (Brophy and Smith, 1997; Tunstall and Fenton, 2006).

Voluntary and involuntary segregation of social groups

In America, racial prejudice and social inequality along the lines of racial difference is strongly influential in the spatial segregation of social groups (Massey and Denton, 1993; Ihlanfeldt and Scafidi, 2004), leading to the emergence of differentiated 'enclaves', 'ghettos' and 'citadels' (Marcuse,

1997).⁵⁷ The phenomenon is both the consequence of inequality in society, as well as volunteerism. In comparison, such effect is less evident in Western Europe (Peach, 1996; Murie and Musterd, 1996; Musterd and Ostendorf, 1998). However, the poor are still more likely to be concentrated in social estates (Lupton and Power, 2004).

On the other hand, effects of ethnic segregation could not all be negative (Peach, 1996). With references to the Jewish and Bangladeshi concentration in London, Peach argued that voluntary concentration “allows the (ethnic) group to maintain its social cohesion. It maintains cultural values, it strengthens social networks, it allows the passing of a critical threshold for the support of institutions and shops” (p. 386). Moreover it could also provide “a defensive protection from attack and it reverses the power structure of outside authority” (p. 387). The latter referred to areas concentrated by British Blacks and areas concentrated by different groups of the Roman Catholics and the Protestants in Northern Ireland (Peach, 1996). Other authors have also recorded other examples of beneficial ‘voluntary congregation’, or ‘segregation by choice’, by social groups based on grass-root help networks e.g. migrant enclaves in the Netherlands (van Kempen and Ozuekren, 1998). In China, numerous enclaves of migrant workers have emerged in large cities. The migrants often originated from the same rural villages or provinces and chose to congregate due to the agglomeration of mutual help networks that are helpful to their survival (Dutton, 1998: 147-152; Fan and Taubmann, 2002). In these cases, segregation may be both voluntary and beneficial for the residents.

In addition to these barriers, residents’ way of life and the accessibility to technologies have also been found to affect socialisation:

Residential stability

Using longitudinal survey data, the length of residence has been shown as the

⁵⁷ According to Massey and Denton (1993: 220): “Race operates powerfully through urban housing markets, and that racial segregation interacts with black class structure to produce a uniquely disadvantaged neighbourhood environments for African Americans.”

dominant factor in influencing the strength of local social ties (Kasarda and Janowitz, 1974; Sampson, 1988). It has also been found to be the key explanatory variable, and provides the strongest single influence upon the 'Density of Acquaintance Index' (Freudenburg, 1986).⁵⁸ Therefore length of residence has often been argued as the most important factor, which helps outsiders to attach to existing communities (Crow and Allan, 1995). Following this logic, if residential stability is disturbed, it may have an adverse effect on socialisation.

Marketisation of services

The increased availability and usage of professionalised services (e.g. nanny, shoppers, handyman etc) in modern society have been argued to reduce the necessity and thus people's dependency on their neighbours as such services can be easily bought on the market (Davies and Herbert, 1993; Gough, 2002).⁵⁹ Furthermore, as families face longer working hours and other obligations, one's leisure time is diminished, which can also reduce the incentives for social interaction with neighbours (Davies and Herbert, 1993). In these circumstances, people living in the same neighbourhood may have little necessity or incentives for social contact.

Increased mobility and improved telecommunications

The improved mobility due to the increased ownership of private vehicles and improved public transportation have been also been argued to expand one's range of geographical coverage, which potentially enlarge and strengthen the importance on one's non-local social network (see Wellman and Leighton, 1979; Guest and Wierzbicki, 1999), and social worlds outside of the neighbourhood

⁵⁸ It is defined as the average proportion of residents in a local community who are known by the inhabitants of that community (Freudenburg, 1986).

⁵⁹ "As more and more relationships in society become specialised, and two income-earners in the family allow adults less time to cultivate informal linkages during the day, many of the informal activities that provided mutual aid or emotional support in the past are replaced with provision by paid workers. Although such services may be more sophisticated, the inevitable professional detachment that goes with them often means that they are provided without the emotional support of the traditional care-giver." (Davies and Herbert, 1993: 65)

(Atkinson and Kintrea, 1998, 2000; Arthurson, 2007) at the expense of the local neighbourhood ties.⁶⁰

Hypothesis

Based on existing debates regarding social mixing, I expect to find the degree of interaction among socio-economically discrepant estates in Shanghai's mixed neighbourhoods to be low. The potential divergence in residents' lifestyle and lifeworlds suggest a low likelihood of social interaction across different classes of residents.

3.4 Existing findings from mixed neighbourhoods

3.4.1 Social interaction in mixed (tenure/income) estates

As shown in chapter 1, both the academic proponents of social mix and social mix policies assume and hope that social interaction will take place between tenants and owner-occupiers in mixed-estates. But what do we know from existing mixed neighbourhoods/developments?

A thorough review of existing cases revealed very little cross-tenure social interaction in mixed (tenure/income) estates (Goodchild and Cole, 2001; Kleinhans, 2004).⁶¹ A large number of studies which support this view have been reported from across the world, ranging from Scotland (Atkinson and Kintrea, 1998, 2000; Beekman *et al.* 2001), England (Cole and Shayer, 1998; Jupp, 1999; Allen *et al.* 2005; Camina and Wood, 2009); Australia (Arthurson, 2002; 2007); the Netherlands (Van Beekhoven and Van Kempen, 2003; Kleinhans, 2004); and the United States (Brophy and Smith, 1997). Findings of these studies were largely consistent, which is that cross-tenure social

⁶⁰ This study primarily focuses on the changes of neighbourhood-based social interaction. Thus residents' extra-neighbourhood ties and non-local social networks, which make up other aspects in an individual's spheres of interaction will not be considered in this thesis (see Wellman and Leighton, 1979; Fisher, 1982; Wellman, 1990; Davies and Herbert, 1993: Chap 4; Guest and Wierzbicki, 1999).

⁶¹ Tenure has been used as a proxy to relate to residents' socio-economic conditions. Residents of greater wealth were more likely to be owner-occupiers of homes compared to the financially challenged residents, who were more likely to be renters in social housing.

interaction is rare despite residential propinquity, and that owners and renters often occupy different social worlds.

In England and Scotland, in an effort to create inclusive communities as encouraged by recent government policy (DETR, 1999, 2000, DCLG: 2006), private ownership of homes had been introduced into a number of previously mono-tenure council housing estates (Cole and Goodchild, 2001). In a survey of 52 residents in a newly completed mixed-tenure redevelopment in Sheffield, Cole and Shayer (1998) found only weakly developed social networks in the locality. What little social activity happened locally (mainly going to the pub), was done with other members of the household rather than with any friends, old or new.

Likewise, in a study of three Scottish estates in Paisley, Motherwell and Edinburgh, where owner-occupation had been introduced in the 1990s, Atkinson and Kintrea (1998, 2000) found that “owners and renters in regeneration areas largely inhabit different social worlds and that the introduction of owner-occupation makes little difference to renters’ networks” (2000: 93). The authors found that a significant majority of renters’ activities is concerned with family and social life in the neighbourhood, typically visiting neighbours and relatives. Nearly three-quarters of all family and social activities of renters are conducted in the home estate. More than half of all their consumption-related activities are also focused in their estate in that they make many visits, often every day, to local shops. Owner-occupiers, however, are less centred in the home neighbourhood. Overall, less than a quarter of all activities are carried out within the home estate. The difference is strongest in relation to consumption-related activities. Many owners seldom or never use their local shops, preferring even for small items such as milk, cigarettes and newspapers to use supermarkets or filling stations, or to buy things near their workplace. Work status and car ownership were identified as important factors in people’s daily lives. The work location of those who work outside of the estate generally dictates the location of their shopping and leisure activities. Moreover, as home owners were often car owners and worked outside the estate this

meant that their lives were more effectively separated from the estate than those of the renters, as they drove out of contact with people on foot.

Jupp (1999) interviewed over 1,000 residents living in ten mixed-tenure estates across England, and reported four important findings. Firstly, most new mixed tenure estates are not characterised by inclusive social networks. Only two fifth of residents (out of 1,000) would ask for help from a neighbour from a different tenure. Secondly, since private and social housing in the case-study sites was generally located on different streets, there was little mixing between the two groups. Jupp claims that “the biggest single barrier to contact is that properties of different tenure tend to be on different streets” (p. 45). Thirdly, lacking commonality poses a barrier to interaction as most people “do not think that they share many common interests with their neighbours” (p. 10). Fourthly, very few people got to know any new people in local facilities such as shops or pubs. The school turned out to be the most important non-site entity for local contacts. But one third of parents still did not get to know any resident from other estate through their children.

Designed to be a complement to the Scottish studies by Atkinson and Kintrea (1998, 2000), Allen *et al.* (2005) replicated the research method on three matured estates in England (in Norwich, Middlesbrough, and Peterborough), which had been designed to be mixed tenure from the beginning (i.e. since the 1970s). Different to newly developed mixed estates, the authors found that where owners and renter have been living in the same neighbourhood for long periods (in some cases over 20 years), their patterns of activities became more similar. Based on interviews and diaries kept by thirty households, the researchers found that renters still have more ties to the estates than owners, but owners in these estates had a greater commitment and usage of local facilities than other owners in newly created mixed estates. Interestingly, children were found to mix regardless of their tenure. However, owners and renters by and large occupied distinctive social worlds where opportunities for interaction between them were limited. The authors concluded that claims that mixed tenure would enhance social capital, and the ‘role model effect’ of owners

has been exaggerated.

More recently Camina and Wood (2009) reported further analysis on the data by Allen *et al.* (2005), and found that “in practice, people were often not aware of whether acquaintances were owners or renters and even if one knew where an acquaintance lived, it was not always obvious whether the home was owned or rented” (p. 473). This was attributed to the specific design principle of the estates as houses were built to disguise tenure differences. However, “...with probing, people often came up with the conclusion that friendships tended to reflect interests and that most of their close friends were from the same tenure as themselves” (p. 473). Also important was that “cross-tenure social relations were generally ‘polite’ rather than ‘friendly’, reflecting in part their different social worlds but also the ‘distance’ between neighbours which people generally preferred” (p. 473).

After reviewing a number of Dutch cases, Kleinhans (2004) also found similar experiences. He concluded that:

“In sum, patterns of social life vary by tenure and, in general, yield little social interaction between owner-occupiers and tenants. It must be emphasised that tenure is not the single cause of limited cross-tenure interaction. Differences in lifestyles and socio-economic characteristics, such as income, age, household composition and education are important underlying factors. Thus, both lifestyle and socioeconomic characteristics are associated with tenure differences. Apart from these factors, cross-tenure interaction can also be hampered by separation of different tenures as a result of the neighbourhood layout” (p. 378)

Similar findings were found in the United States. Brophy and Smith (1997) studied 7 multifamily mixed-income developments across the United States, using site visits and interviews with developers, residents and property managers. These projects were chosen specifically to cover a wide range in geography, housing market, income-mix, building type etc. Four of the developments had the interaction among neighbours elaborated including

Harbour Point and Tent City (both in Boston), The Residences at Ninth Square, in New Haven, Connecticut, and New Quality Hill in Kansas City, Missouri.

The study shows that although a level of (residential) mix has been created, resident engagement has not been created and cross-tenure interaction was rare. In Harbour Point, the market-rate and subsidised tenants “coexist”, and community “munch and mingle” events were modestly attended and composed mostly by subsidised tenants. In Tent City, residents “seem to form two populations living side-by-side with little interaction. The market-rate renters seldom participate in activities related to the building or the neighbourhood” (p. 15), and that “(m)inimal interaction and neighbouring occurs among the market-rate tenants or between them and the subsidized group” (p. 16). In the Residences at Ninth Square, “neighbouring among residents is limited. Management schedules some events to foster a sense of community, but they are sparsely attended, and the majority of attendees are residents of the subsidized units” (p. 20). In New Quality Hill, “residents describe the community as friendly, although there is not a great deal of neighbouring. While some informal barbecues are held in warm weather, neither residents nor management makes much of an effort to plan these or other neighbouring activities” (p. 22).

3.4.2 Social interaction in gentrified areas

Gentrifying areas can also experience social mix when the wealthier residents move into previously dis-invested localities predominantly occupied by economically weaker social groups. So what do studies on gentrifying areas tell us about the interaction among different social groups?

Although fewer researches have been carried out on consequences of social mixing in gentrified areas than on mixed- (income/tenure) developments, a growing body of work in Western cities also indicates that physical mixing of socio-economic classes does not lead to social mixing. Existing studies indicate that the middle-classes (gentrifiers) tend to self-segregate and only mingle

among themselves i.e. hanging out with “people like us” (Butler, 1997; Robson and Butler, 2001). Moreover there is often a strong divide between social classes characterised by a culture of ‘us’ and ‘them’ (Butler, 1997, 2007; Davidson, 2010), which depicts their acknowledgement of fundamental differences in culture, preferences and habits to other non-gentrifiers. Even though residents cohabit same neighbourhoods cheek-by-jaw, there is hardly any social interaction between different classes (Robson and Butler, 2001; Butler, 2003; Rose, 2004; Freeman, 2006; Davidson, 2010). Some authors even contested that the insular scenarios of cross-class relations in gentrified areas are best described as ‘social tectonics’ (Robson and Butler, 2001; Butler, 2007), whereby different social classes cohabit the neighbourhood, but lead parallel lives just like distinct tectonic plates.

Moreover, Robson and Butler (2001: 77) found “something of a gulf between a widely circulated rhetorical preference for multicultural experience and people’s actual social networks and connections.” The middle classes, who they studied from Brixton and Telegraph Hill in London, displayed different emphasis on social and cultural diversity in their areas. Crucially, respondents’ perceptions of ‘diversity’ are often different. Residents in Telegraph Hill for example, are supporters of diversity, but their perception of the term referred to more about individual types or characters e.g. lefty/liberal, artistic/creative, which enriches their social life the area (p. 77). Crucially, their perception of ‘diversity’ does not include different social classes which the social inclusion policies have been founded on.

Furthermore, based on the assumption that children’s education have an important influence on the locational choices of middle-class settlements, Robson and Butler (2001) examined the cultural reproduction of the middle-classes through the sphere of education in two socially mixed areas in the inner-city of South London. In both cases, the authors found that “it does not appear that the engagement with the area involves engagement with other social groups... spatial propinquity is achieved at the expense of social distance from other social groups” (p. 84-85). More specifically, regarding one of the

areas in Brixton, the authors found the area to exhibit a tectonic social relation:

*“The model of social cohesion in Brixton, where physical interaction with an extraordinarily heterogeneous social landscape is an unavoidable feature of everyday life, might be characterised as ‘tectonic’. That is to say, broadly, that relations between different social and ethnic groups in the area are of a **parallel rather than integrative nature**; people keep by and large, to themselves... This suggests to us that not only is there little contact across social and ethnic groups, but that the white middle-class residents are also more isolated and less networked... It is this paradox of informal, **voluntary segregation** and the embrace of multiculturalism as an ideal of city living which give social relations in Brixton their ‘tectonic’ aspect. **Social groups or ‘plates’ overlap or run parallel to one another without much in the way of integrated experience in the area’s social and cultural institutions**” (p. 77-78) ⁶²*

In a later study on education strategies of middle-class families, Butler (2003), found that the children of gentrifiers in Barnsbury, London had almost no contact with children from other social backgrounds.⁶³ The lack of mixing applied to both children and their parents. The middle-class interacts almost entirely with ‘people like us’ and their situation has been likened to “living in the bubble”. The presence of other social classes was “much valued as a kind of social wall-paper, but not more” (p. 2484). Butler predicts the situation will likely lead to an increasingly polarised social structure in which “the middle classes and their children inhabit entirely separate social spaces from other more disadvantaged groups” (p. 2469).

Elsewhere, in Montreal, Canada, Damaris Rose (2004) examined fifty gentrifiers who had bought non-luxury condominiums in a small scale in-fill development built between 1995 and 1998, as part of a municipal programme to repopulate

⁶² Emphases by author

⁶³ A good example of the strong link between education and housing choice of the middle-classes can be illustrated by the recent promotion of mixed income schools in the United States as a strategy to promote mixed communities (Lipman, 2008; Lees and Ley, 2008). See also Butler and Robson, 2003 for a London case of Wandsworth Borough council which strategically holds both private and state schools to encourage gentrification.

the city's downtown area. Based on qualitative interviews, Rose explored interviewees' views on social class diversity, and the presence of affordable housing in their neighbourhood, and found that neighbouring relations correspond to the model of 'distant but peaceful coexistence'. The desire for social, cultural or ethnic diversity was rarely deemed a very important criterion for gentrifiers to decide where to live. Rose also found those residents who wanted to establish some forms of neighbouring relationship based on weak ties of 'cordial exchanges' were atypical among the interviewees.

Freeman (2006) examined the impacts of gentrification on the indigenous residents in two Black gentrifying neighbourhoods in Harlem and Clinton Hill, in New York City. He interviewed both gentrifiers and non-gentrifiers living in the same neighbourhood and found that "social ties rarely crossed class and racial lines. Gentrification is increasing the socioeconomic diversity of Clinton Hill and Harlem, but the social networks within these neighbourhoods seem impervious to the changes taking place around them" (p. 14). Moreover, there were clashes between the norms of gentrifiers and those of the longer-term residents. The newly arriving gentry and incumbent residents generally moved in different spaces. Attitude wise, both classes were ambivalent about social diversity in the neighbourhood i.e. answers were neither straight positive nor negative.

Finally, Davidson (2010) examined specifically how social mixing operates within new-build gentrification in three gentrifying neighbourhoods in London.⁶⁴ He interviewed both gentrifiers and incumbent residents and examined their lifeworld. Davidson found, at present, new developments have not generated significant levels of mixing between different socio-economic groups. The interview material with residents strongly rejects the possibility that time might increase/change the pattern of mixing, as many point to high rates of mobility as a factor. Similar to social tectonics observed by Robson and Butler (2001), many residents in new development simply 'rub past' surrounding neighbourhood populations.

⁶⁴ Davidson and Lees (2005) have argued that new builds in previously disinvested areas should also qualify as a new form of gentrification which they termed "new-build" gentrification.

The “disjunctured lifeworlds” of residents, the terms used by Davidson, were caused by different geographies of social networks, and the situation is maintained or fostered by many on-site facilities provided by new-build developments, which were exclusive to nearby residents, that negate the requirement for local social relations to be entered into. Moreover, interviewees in general see little utility value in the neighbourhood as a space for social mixing. The lack of neighbourhood mixing is partly explained by the lack of engagement, attachment or investment in the local area on the part of gentrifiers. Interestingly, Davidson found that those living in housing association and shared ownership (i.e. affordable housing units in two of the developments) recorded greater levels of social mixing and perceived local areas in different ways. Although the few cases could not be concluded as indicative of tenure-based division, it illustrates how tenure and lack of development-based facilities and neighbourhood-based activities have combined to create a different sense of local social relations. Overall, the existing literature on gentrifying areas also strongly disproves the link between social mix and social mixing.

3.4.3 Hypothesis

If inter-estate social interaction is found to be minimal in Shanghai due to the emerged socio-economic contrasts among residents, the finding will concur with the body of existing research based in the West, which is that social mix does not lead to social mixing.

3.5 Filling gaps in mixed neighbourhood research

After reviewing the existing theoretical approaches and cases on social mix, I shall now summarise the knowledge gaps in social mixing research and indicate how this research will try to fill some of these gaps.

3.5.1 Gaps in current studies

Several shortcomings have been acknowledged in the research on social mix and social mixing. The main criticism relates to the perceived lack of evidence base. In a review of social cohesion and social capital in the British context, Kearns and Parkinson (2001) admitted that:

“Cross-nationally, our knowledge of levels of attachment to neighbourhood and of patterns of neighbouring behaviour is very patchy” (p. 2104)

Despite the increasing adoption of social mix policies in the west (DETR, 1999, 2000, Musterd *et al.* 1999; Arthurson, 2002; Popkin *et al.* 2002; A. Smith, 2002; Cameron, 2003; Krytoff, 2003; Uitermark 2003; Uitermark *et al.* 2007), the general feeling in Western literature on the subject is a continuing lack of evidence on the relationship between social mix and social mixing (Bridge, 2001; Kleinhans, 2004; Lees, 2008). As Bridge (2002) had expressed:

“In current UK neighbourhood regeneration policies the importance of neighbourhood based social networks in turning around “failing” or deprived neighbourhoods around seems to be a taken-for-granted assumption.” (p. 2)

Moreover, Galster (2007) had argued that policy makers have given little thought to how advantaged and disadvantaged groups will interact within socially engineered mixed-income neighbourhoods. He suggests that at the moment, the support for social mix policies is based “more on faith than fact”.⁶⁵ A similar sentiment can be found in gentrification research. According to Loretta Lees (2008: 2464):

“Debates are taking place in the absence of a significant knowledge base as to how social mix is experienced on a day-to-day basis within the different contexts of gentrification in our cities. It is our responsibility to create the evidence base needed to refute or revise the claims of policy-makers about gentrification and social mixing as an inclusive form of urban renaissance.”

⁶⁵ Critiques of the ‘faith based nature’ of social mix policy and its supposed area effects on disadvantaged population can be found in works of other scholars (see Cheshire, 2007, 2009; Cheshire *et al.* 2008).

This view is echoed by Walks and Maaranen (2008), whose review of studies on social mixing in gentrifying areas have found little evidence to support that gentrification actually leads to greater social mix at the neighbourhood level:

“As of yet... there is little systematic evidence that gentrification actually leads to greater levels of social interaction at the neighbourhood scale. Indeed, it is not even apparent that social mix can achieve the goals hoped of it... Moreover, it is not clear exactly what kind of ‘mix’ is most desirable, or what sort of mix matters most in producing the expected positive outcomes...” (p. 294)

3.5.2 Areas to improve the research on cross-class social interaction

In order to strengthen social mixing research and to contribute to the deficient evidence base, a number of research shortcomings needs to be addressed. Firstly, gentrification research has so far been dominated by an over-emphasis on the study of gentrifiers i.e. not the entire resident population in gentrifying areas (Butler, 1997, 2003; Robson and Butler, 2001; Rose, 2004). Only recently have we begun to see authors championing the importance to analyse the social behaviours and impacts on both gentrifiers and the incumbent residents (Slater *et al.* 2004, Slater, 2006; Lees, 2008). According to Slater *et al.* (2004):

“Yet the nature of the consequences of gentrification for people living in the neighbourhoods experiencing it is an issue on which there has been almost total silence. In short, academic inquiry into neighbourhood change has looked at the role of urban policy in harnessing the aspirations of middle class professional at the expense of looking at the role of urban policy in causing immense hardship for people with nowhere to go in booming property markets reshaped by neoliberal regulatory regimes. A focus on the practices of the middle class gentrifiers and how their practices are facilitated by urban policy does not tell us anything about what policy driven gentrification does to communities that fear widely acknowledged disruption brought about by public and/or private reinvestment. Middle class gentrifiers are only one part of a much

larger story." (p. 1142)

This was echoed by Loretta Lees (2008):

*"For those who find it difficult to throw the concept of social mixing overboard, future research needs to compare more systematically, **interviewing or surveying both gentrifiers and non-gentrifiers living in the same neighbourhoods**, social mixing in neighbourhoods at different stages of gentrification."* (p. 2463)⁶⁶

In response to their calls, research that moves towards this direction has recently emerged (Freeman, 2006; Davidson, 2010). But they are still lacking in numbers.

Secondly, there is still a lack of understanding of the dynamics of social interaction in mixed-tenure neighbourhoods. Tunstall and Fenton's (2006) review of mixed tenure development literature highlighted that "(t)here are gaps on... **how mixes were produced**, how much mix is needed to produce effects and **how different dimensions of mix interact...**"(p. 40).⁶⁷ Related to this, our understanding on the patterns of interaction and usage of neighbourhood facilities by various social classes in mixed estates are still patchy (Bailey and Manzi, 2008). These authors suggested that future research should examine "**...whether there are different patterns of social interaction between residents in different tenures and differential usage of local facilities**" (p. 1).⁶⁸

Thirdly, "...urban research overwhelmingly focuses upon deprived neighbourhoods, with very few national or comparative findings to serve as a yardstick for the evaluation of empirical findings pertaining to social relations and resources within neighbourhoods" (Kearns and Parkinson, 2001: 2108).⁶⁹

⁶⁶ Emphasis added by author

⁶⁷ Emphasis added by author

⁶⁸ Emphasis added by author

⁶⁹ Emphasis added by author

Consequently, we are confronted with a research trend that is “driven by a policy agenda rather than one that seeks to provide a more rounded view of neighbourhood dynamics and in particular the similarities or differences between neighbourhoods” (Forrest and Kearns, 2001: 2141). In a similar vein, Atkinson (2005) supported this view when he commented that “...very few studies that actually measure the impacts of social mix. A much wider literature on areas effects is extensive but almost never comments on or covers neighbourhoods of relative affluence or social diversity” (p. 3).

These critiques suggest that to progress future research on socially mixed neighbourhoods, research should to pay more attention on how social mix is created; how different social classes in a mixed area (both newcomers and incumbent residents) interact with neighbours; and the importance of exploring affluent (mixed) areas as opposed to a sole preoccupation with deprived areas. To address these shortcomings, this study will combine the exploration of the mechanisms which created mixed neighbourhoods in central Shanghai; the analyses on the extent of social mix that has emerged; and finally the analyses on neighbourhood-based social interaction of all the key resident groups in the mixed neighbourhood (including incumbent residents and newcomers who possess distinct and different socio-economic attributes). To extend the exploration of social interaction further, the analysis of social interaction will be explored at both the intra-estate and the inter-estate levels. This approach will improve our understanding on the nature and differences in social behaviours among these socio-economic classes, and extend our knowledge on social interaction in urban China beyond the current intra-estate emphasis.

4 Urban redevelopment and mixed neighbourhoods in central Shanghai

4.1 Introduction

The 1990s marked a new era in Shanghai's urban transformation. A decade on from the economic reforms initiated in 1978, the central state announced its strategy to develop Shanghai into a world city in 1992, and the city's economic and spatial development became progressively coordinated in the 1990s (Geng, 1996). This period is characterised by the 'commodification of the build environment' (Wu *et al.* 2007; Wang and Murie, 1999; Wu, 2001a, b; Zhang and Fang, 2004), which has been established on the back of important land and housing reforms (Yeh and Wu, 1996; Wang and Murie, 1996). These reforms have increasingly allowed the market to be utilised in urban development, which have led to unprecedented levels of investment into urban renewal (Zheng, 1996; Jiang *et al.* 1998; Hu and Zhang, 2000; Wu, 2000, 2001a; Wang, 2005). This not only transformed the spatial structure and landscape of Shanghai (Ning and Yang, 1995; Gaubatz, 1999, 2005), but also the social composition of its neighbourhoods (W. Wu, 1999; Y. Huang, 2005, 2006; He and Wu, 2005; Wu and Li, 2006; Tian and Wong, 2007).

This chapter aims to establish the macro-level context for the study before zooming into a case study neighbourhood in the subsequent chapters. It will introduce the city of Shanghai, covering a brief history of the city and its importance to China, the city's post-1990 urban development, and the changing housing composition and neighbourhood structure in central Shanghai.

The chapter is organised into 7 sections. After this introduction, section 2 introduces Shanghai. It summarises its geography, structure, and the city's development strategy established in the late 1980 and early 1990s, which form the framework for Shanghai's urban development until 2010. Section 3 explores

the housing stock of central Shanghai prior to 1990. It reviews the poor housing conditions of the city, and the predominant housing types which form the central neighbourhoods prior to 1990s large-scale redevelopment. Section 4 addresses the important transition in post-1990 urban development, which shifted from a plan-led to a market-led approach based on landed interests. It highlights the influential land and housing reforms and illustrates the phenomenal urban transformations. Section 5 summarises the changing role of the government from a provider to a facilitator of the market in urban development via a review of the city's housing renewal programmes since 1990. It presents the key goals of the programmes and highlights how beneficial policies are implemented to attract private investment into housing redevelopment. Section 6 explores the mixed neighbourhoods in central Shanghai which have emerged as a consequence of redevelopment. The distribution and compositions of these neighbourhoods are explored, which will serve as a prelude to the more detailed, site-specific exploration of the case study neighbourhood in subsequent chapters. Section 7 concludes the main points in the chapter.

4.2 The city of Shanghai

“We should revitalise Shanghai, develop Pudong, serve the whole country and gear Shanghai’s development to the needs of the world... and strive to build Shanghai into an export-orientated and multi-functional, modernised, socialist international city with reasonable industrial structure, advanced science and technology, and a high level of civilisation... Shanghai will speed up the pace of economic reform and establish an initial system of socialist planned commodity economy.”

Shanghai’s ten year programme and five-year plan (Jiefang Ribao 2 May 1991 cited in V. Wu, 1998)

“Shanghai’s long term objective in the year 2010, proposed by the last session of the People’s Congress, is to make Shanghai one of the international centres of economy, finance and trade; and to make Pudong an international standard,

export-orientated, multi-purpose, modern new area. On the basis of the objective, aiming at Shanghai's development in the 21st century, the overall planning of the city has to embody both 'international standard' and 'modernisation'."

(Geng Yixiu, Chief Planner, Shanghai Urban Planning Administration Bureau, conference presentation, 11 Oct, 1993, cited in Olds, 2001: 175).

4.2.1 Shanghai's profile

Shanghai, China's largest city and economic centre, is situated on the Eastern fringe of the Yangtze River Delta (Figure 4-1). In 2008, Shanghai has an area of 6,340.5 km², and a population of 18.9 million across its 19 urban districts (SSB, 2009).⁷⁰ It is one of the three municipalities (with Beijing and Tianjing) directly administered by the central state.

⁷⁰ 13.7 million registered, and 5.2 million floating residents

Figure 4- 1 Map of Shanghai

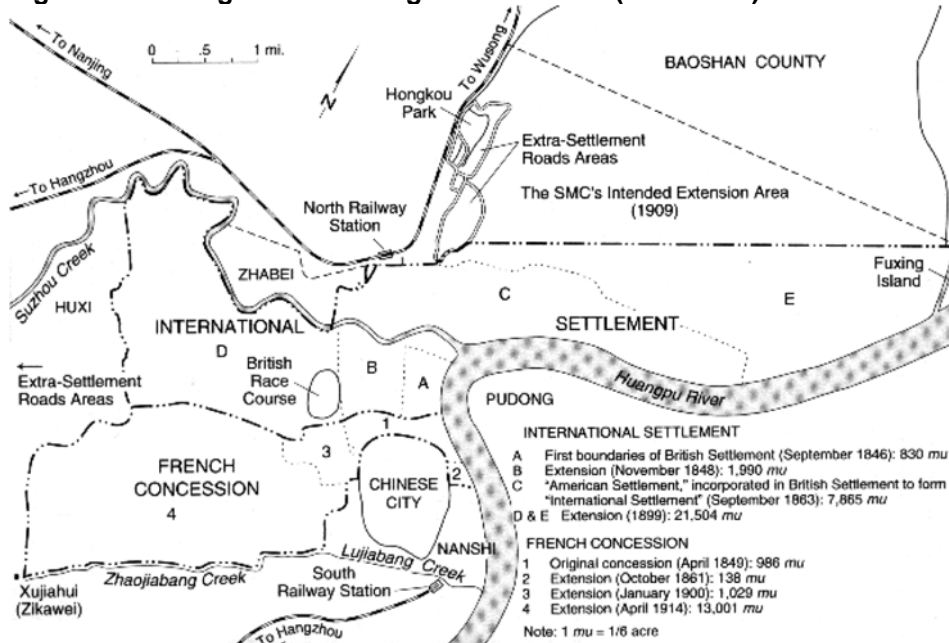


The city centre is bisected by the Huangpu River into the Western (Puxi) and Eastern (Pudong) banks. Before 1990, the city mainly occupied Puxi, while Pudong mainly contained farm land and some low density industry and associated residential districts (Olds, 2001). The State's decision in 1990 to develop Pudong propelled the proper Eastern expansion of the city across the river (MacPherson, 1994). Shanghai is structurally organised around three concentric ring roads (Figure 4-2). The city centre occupied the area within the 48km inner ring road, which contains an approximate area of 80-100km² (Zheng, 1996: 24). The Puxi side of the centre (3/4 of the area) represents the area of this study. It contained the majority of Shanghai's old housing stock built between 1845 and 1943 in the old foreign concessions. This area currently represents approximately 40 per cent of the study area (Figure 4-3). Overall, the central area in Puxi covers parts of 9 urban districts: Huangpu, Luwan, Jing'an, Xuhui, Chang'ning, Putuo, Hongkou, Zhabei and Yangpu (Figure 4-4).

Figure 4- 2 Shanghai structured by 3 ring roads

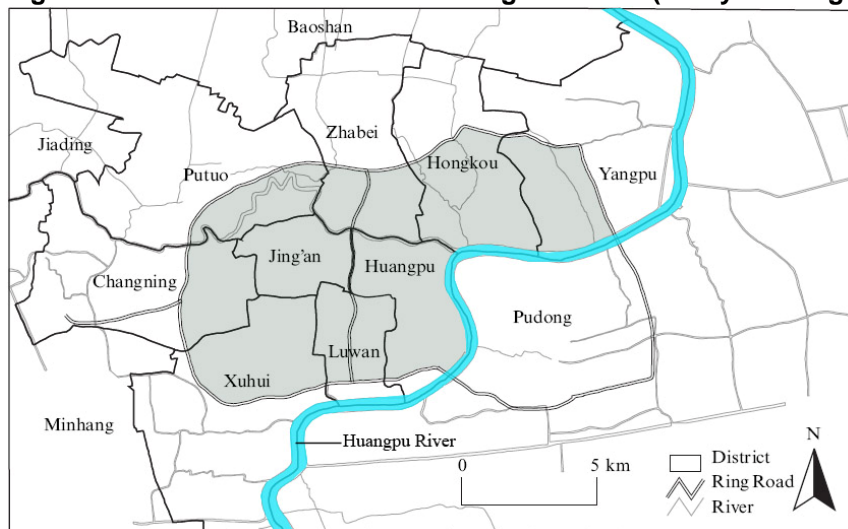


Figure 4- 3 Shanghai's old foreign concessions (1845-1943)



Source: Zhao: 2004: 55

Figure 4- 4 Districts within the inner ring road area (Study area highlighted)



Source: from Wu, 2001a: 1758, redrawn by author

4.2.2 A brief history of Shanghai (1842-1980s)

Prior to 1990, Shanghai had been a trading city, and then a socialist industrial city. It first became China's economic centre in the 1900s after its opening as a "trading port" under the Treaty of Nanjing of 1842, in the aftermath of China's defeat in the Opium War. Between 1845 and 1943, extensive concessions were

set up for the English, American and the French nationals. Due to the city's advantageous geography at the mouth of the Yangzi River, Shanghai attracted both domestic and foreign investors. By the late 1940s, textiles, food processing and other light industries dominated the manufacturing sector, while the service industries (both formal and informal) provided the bulk of the employment (Yusuf and Wu, 1997: 46). After 1949, the communist party took control of China and Shanghai went under centralised planning. The city's trading functions were subsequently removed. The new regime favoured heavy industry, regional self-sufficiency, and minimal foreign trade, and the former was quickly expanded (Yusuf and Wu, 1997: 46). During this period, Shanghai became an industrial city and China's 'industrial pillar' (Zhang, 2003). The principle of self-sufficiency had ensured the development of a wide range of industrial subsectors in Shanghai, and the high concentration of industrial products made the city the largest single source of revenue for the socialist state: providing about 25 per cent in an average year during the latter 1970s (Yusuf and Wu, 1997: 48). This trend had continued until the 1980s. In 1983, with 1.2 per cent of the nation's population, Shanghai contributed to 10.6 per cent of China's total industrial output and 6.5 per cent of the national income (SSB, 1984 cited in Zhang, 2003).

4.2.3 Build-up to 1990s development

The 1990s represented the turning point of Shanghai's urban development. The city became one of the main development priorities of China, and the decision to transform Shanghai into a modern world city kick-started the redevelopment of the old city. Gradual market reforms have been initiated in China since 1979 (Wu, 1997). The goal of the reforms was to improve the economic efficiency and promote economic growth via market principles in China, using openness to foreign capital, technology, ideas and people, 'provided they directly relate to economic development' (Olds, 2001: 161). In 1984, Shanghai, along with 13 other coastal cities, was designated as an Open Coastal Zone, which reopened it to foreign trade for the first time since 1949 (Olds, 2001). This new 'openness' started the inflow of foreign capital and personnel into the city, as well as new

demands for commercial and residential buildings (Wu, 2001a; Li, 2004).⁷¹ In 1986, the first Comprehensive Plan for Shanghai – the blue print to guide Shanghai's urban development - was approved by the State Council. The Plan aimed to redevelop the old city via three directions: a) renewing its dilapidated housing and slums, b) adjusting its industrial structure to integrate with suburban districts, and c) improving the infrastructure in and surrounding Shanghai (Zheng, 1996; Mao, 2003). The Plan also noted the growing demand for diversify in Shanghai's economic structure, which was to be delivered by the development of service industries and reforming its traditional manufacturing industries (Zheng, 1996; Zhang, 2003).

In April 1990, the Chinese Communist Party (CCP) Central Committee and the State Council officially designated the 'Pudong New Area', an area on the bank of Pudong directly across the Huangpu River from the old city centre in Puxi, a national development project. A few months later, Pudong was designated as a Special Economic Zone with the goal of attracting foreign investment and speeding up the development of tertiary industries (V. Wu, 1998; Olds, 2001). Two years later, at the 14th CCP Congress in 1992, the State strengthened its support for Shanghai's development by announcing the strategy to "develop Pudong as the dragon head", and to develop Shanghai as "the international economic, financial and trade centre to realise the economic take-off of the Yangtze River Delta and in turn the whole Yangtze River Valley" (Gu and Chen, 1999: 2, cited in Wu, 2001a: 1755). Between the late 1980s and early 1990s, the political context for Shanghai's economic development also became more favourable. Firstly, Shanghai's former mayor Jiang Zemin (1985-7) became China's president and CCP general secretary. Not long after, Jiang's mayoral successor Zhu Rongji (1988-91), was promoted to the vice-premier (3rd in command) in 1991. Zhu was subsequently inducted into the CCP Politburo in

⁷¹ The Open Coastal Zones (e.g. Shanghai), Special Economic Zones (SEZ's) and Open Economic Zones (e.g. Pudong) in China, are preferential areas designated for foreign direct investment (FDI). These areas are administered by relatively autonomous regional and local levels of government. A wide range of incentives are offered to foreign investors to set up export orientated projects (e.g. factories) or invest in infrastructure and property development projects. The inducements include a wide variety of tax incentives (holidays, reductions, exemptions), exemptions from the direct provision of subsidies to workers (e.g. housing), priority status to infrastructure provision, special land-use rights, and reduce tariff rates. (Olds, 2001: 166)

1992, and eventually became the prime minister (2nd in command) in 1998. Both figures had maintained strong support for Shanghai's development (See Olds, 2001: 176-177).

4.2.4 Goals to renewal the city centre

Due to the lack of urban investment prior to the 1980s, Shanghai's old city was plagued by high population density, dilapidated housing, inadequate infrastructure, and inefficient land use patterns in the early 1990s (Yu and Shi, 1996; W. Wu, 1999a, b). A chaotic mix of factories within residential districts characterised the land use pattern (Ning and Yan, 1995). This had been largely caused by the lack of planning coordination and separate administrative jurisdictions between the Chinese and foreign concessions during the colonial period (W. Wu, 1999a). Because the period of central planning had done little to change Shanghai's land-use pattern, the city centre contained about 70 per cent of Shanghai's light industry, textiles and handicrafts in 1990 (Yu and Shi, 1996: 278). Moreover, over 4,000 industrial enterprises occupied almost a quarter of the land (He, 1993, cited in W. Wu, 1999: 210). These factories not only damage the environment from pollution, but also greatly hindered the formation of modern services and finance facilities which are crucial for the city's renewal.

On the other hand, the city's existing housing stock suffered from under maintenance and overcrowding. A survey in 1991 by the Municipal Housing and Land Administration Bureau reported that the city has more than 15 million m² of dilapidated housing at the end of 1990 (including 3.65 million m² of slums and shanties), and more than 300,000 residents living below 4 m² per person (Xu, 2004: 171). The proportion of households with private facilities (bath, toilet) was only 32 per cent (Xu, 2004). The average dwelling space per capita was only 6.6 m² (SSB, 2007). At the end of 1992, the 6th meeting of the Representatives of the Chinese Communist Party in Shanghai agreed on the housing renewal targets by the year 2000. These included an average living space of 10 m² of per urban inhabitant, over 70 per cent of dwellings to have private kitchen and bath facilities, solving housing problems for people living under an average

living space of 4 m²; and the redevelopment of 365 million m² of dangerous housing and shanties (Xu, 2004). The revised version of the Comprehensive Shanghai Plan for 2010 aimed to rebuild central Shanghai (within the inner ring road) around three core functions: trade and commerce, non-polluting urban industries and housing (Geng, 1996). Housing thus retains its key function in the city centre. The next section will examine the housing stock of central Shanghai prior to 1990.

4.3 Housing before 1990

The chronic housing problems suffered during the socialist era were a result of the structure of housing provision under the socialist planned economy (Wu, 1996). Under the system, urban housing was considered a part of the social welfare system. Consequently housing units were built and distributed by government authorities and state work-units to urban residents for nominal rents (Wu, 1996; Wang and Murie, 1996). Housing investment during the period was limited for two reasons. First, funding is drawn from a constrained municipal fiscal budget. In the pre-reform period, Shanghai was the single largest contributor to the country's revenue. Between 1949 and 1984, Shanghai's fiscal contract with the central government required it to submit almost 90 per cent of its fiscal revenues to the centre, while only 1 per cent of the remainder was allocated for municipal infrastructural expenditure (Li, 2004: 116).⁷² Second, housing construction was classified as 'nonproductive' and thus deemed a low priority compared to other capital investments (Chen, 1996). With the industry soaking up most of the investment capital, little was left for the maintenance, improvement and construction of urban housing (W. Wu, 1999: 208).

Table 4-1 offers some clues to the housing composition of central Shanghai prior to 1990.⁷³ In 1985, the city's 9 inner districts contained 60 million m² of housing. About 90 per cent of the composition was consisted of traditional *lilong*

⁷² A new fiscal contract was signed with the central government in 1984, which allowed Shanghai to retain 30% of fiscal revenues (Li, 2004: 116)

⁷³ This included 9 districts of Huangpu (including Nanshi), Luwan, Xuhui, Changning, Jing'an, Putuo, Zhabei, Hongkou and Yangpu. The boundary of these districts far exceeded the area of the inner ring road area. But this provided the closest estimate of housing composition for this area.

houses built before the 1930s (49.4%) and workers' apartments built in the 1970/80s (40.5%). Considering the size discrepancy between the districts and the spatial boundary of the city centre, and the high proportion of *lilong* houses in old foreign concessions, the actual proportion of *lilong* houses in central Shanghai could have been much higher (i.e. more old housing stock).

Table 4- 1 Housing composition of nine inner-city districts in1985

Unit: 1,000m² floor area

Housing type	floor area (1,000m ²)	% of total
All types	60,217	100.0
Villas	1,120	1.9
Apartment	946	1.6
Staff*	24,376	40.5
Lilong	30,026	49.9
Shanty	3,749	6.2

Note: Districts included are Huangpu (including Nanshi), Luwan, Xuhui, Changning, Jing'an, Putuo, Zhabei, Hongkou and Yangpu

* Staff housing referred to workers' apartments

Source: SSB (1986)

4.3.1 *Lilong* houses during the colonial period

The *lilong* houses are the city's most prominent housing stock, which are mainly built between the 1850s and the 1930s in the former foreign concessions (Lu *et al.* 2001). The concessions were initially divided into the English, American and French zones, but the English and the American zones were later merged into the International Settlement. The sizes of the concessions had expanded several times over the years to the eventual 3,243 hm² in 1914 (Li, 2004: 18). Today it represented approximately 40 per cent of the study area.

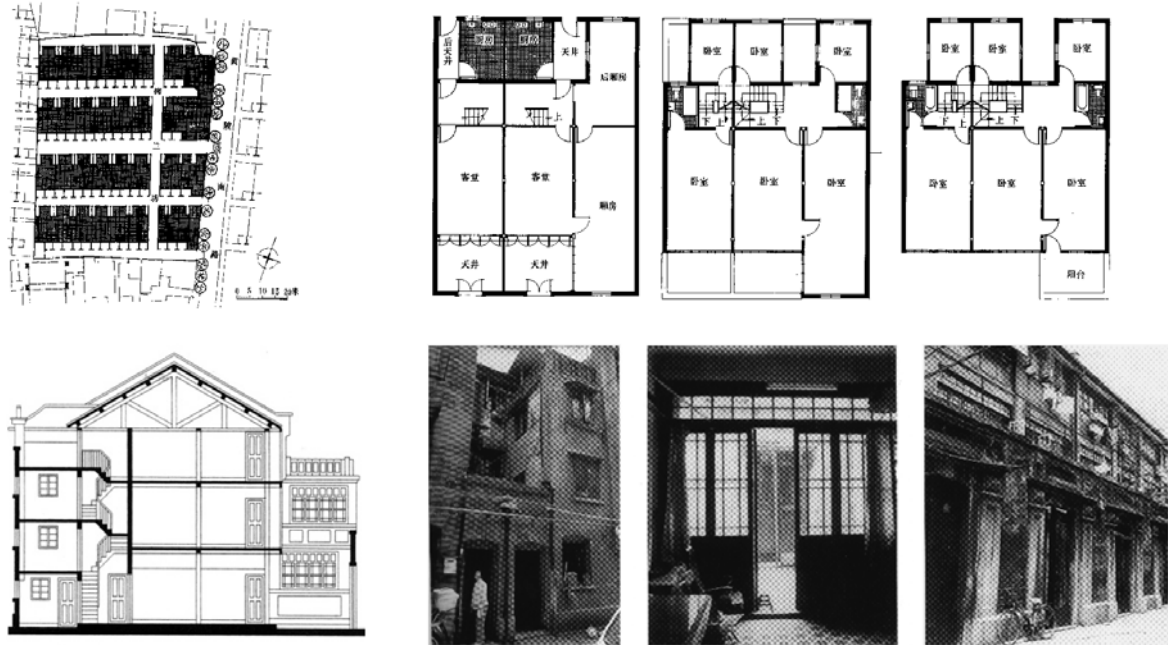
The *lilong* houses represent the stylistic amalgamation of the traditional courtyard houses from Southern China, and the Western terraced housing. This style had satisfied the stylistic preferences and living habits of the Chinese clientele, and the cost/benefit considerations of developers to build at high densities (Zhao, 2004). Built in clusters, *lilong* houses are organised into rows separated by narrow alleyways.⁷⁴ The design and materials used for *lilong* houses had evolved over time. Different versions include the earliest timber

⁷⁴ In Chinese, the word *li* referred to the clustered rows of housing, while *long*, meaning alley, referred to the corridors between the rows of housing (Zhao, 2004).

lilong (1853-1870) of the simplest construction, to the old-style *lilong* (1870-1910), which had some of the grandest designs; and the latest new-style *lilong* (1920-30s), which have a more compact layout to maximise development density to cope with increased demand for housing and reduced land supply at the time. The scale of these developments had been expanded over time, starting from 10 to 30 units typical of the old-style *lilong* estates to up to hundreds of units in new-style *lilong* estates (Lu *et al.* 2001).

Due to large scale redevelopment of the old city centre since 1990, the most common type of *lilong* to be found in Shanghai today would be the new-style *lilong* houses. Figure 4-5 shows the plans of such housing and a typical estate layout. Typically, a new-style *lilong* is 1 or 2 bays (3.6m to 4.2m each bay) in width, and about 16m in depth. The large timber door and the stone framed gate typical of the old-style *lilong* houses (called *shikumen*) are often replaced by a smaller gate with iron bars or low concrete walls. Behind it, the previously enclosed internal courtyard of the old-style *lilong* has generally become an open or semi-open green space that measured the width of a bay and approximately 2m deep. Behind this would be the front hall. A staircase located behind the hall leads to the upper floors. The ground floor is completed with a kitchen and a small back courtyard located at the end of the house. The old-style *lilong* normally has two levels but the new-style *lilong* has three. Each of the upper floors contains a front bedroom and a small back bedroom. The bedrooms are divided by the staircase. By 1920, new-style *lilong* houses began to have internal bathrooms, which are generally located by the landing next to the staircase (Zhao, 2004).

Figure 4- 5 Meilanfang, a new-style *shikumen* neighbourhood built in the 1930s



Source: Zhao, 2004: 61

Housing in the concessions was mainly built by foreign developers and sold to Chinese clients, who sought housing in the concessions to evade civil unrest and poverty in the Chinese countryside (Lu *et al.* 2001). The same period also saw the development of some Western-styled detached and semi-detached houses, garden villas, and multi-storey apartment buildings, whose style and construction had been borrowed directly from Western countries (Lu *et al.* 2001; Li, 2004). In 1985, these only represented a minute proportion of central city housing (3.5% in total). Figure 4-6 illustrates the spatial distribution of old housing in the late 1990s in central Shanghai.

Figure 4- 6 Spatial distribution of pre-1949 housing in Shanghai



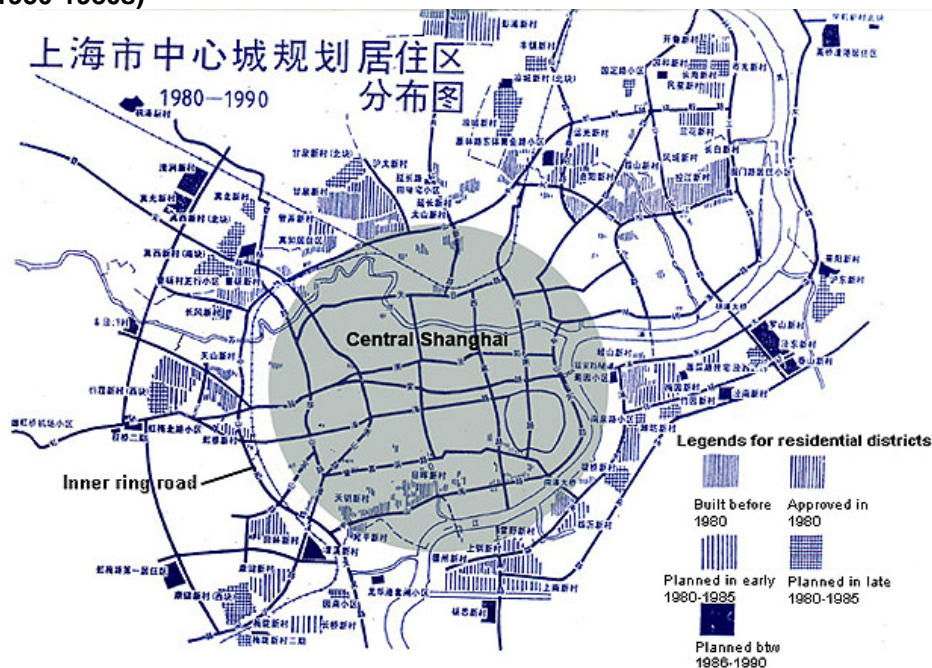
Source: Y. Wang, 2002: 35

4.3.2 Housing in the socialist era

Between 1938 and 1949, real estate development in Shanghai was marred by the Japanese invasion and civil conflicts in China. Consequently housing construction went into a languishing period (Lu *et al.* 2001; Li, 2004). It was not until 1949, when the communist government took over the country that urban housing entered a new stage, albeit one which is governed by a socialist system. The private house building industry and real estate development were effectively eliminated during the early years of the socialist regime, while the private rental sector was systematically brought under the control of the state (Wang, 1992 cited in Wang and Murie, 1996: 972). Confronted by tight fiscal constraints, most housing investment made between 1949 and 1978 was focussed on constructing new housing, which was thought to be more cost effective than rehabilitating existing housing (Xu, 2004). In line with the goal of industrialisation and facing severe housing shortages, several large workers' villages were built in the city's outskirts between the 1950s and 1980s (Y. Wang, 2002; Xu, 2004). These mainly occupied the area lying between today's inner ring road and the outer ring road (Fig 4-7). Within the city centre, new housing construction involved a series of slum redevelopments and the construction of workers' apartments. The slum clearance projects were initiated by the state, and built with direct state funding or via monetary assistance to the residents

(Yu and Shi, 1996). Workers' apartments were built by work-units, which were able to obtain funds to build on vacant spaces in their allocated land. These apartments were built sporadically across the city in the manner of "inserting pins into visible gaps" as the urban fabric of the centre was highly dense (Wu et al. 2007).

Figure 4- 7 Spatial distribution of planned workers' residential districts in Shanghai (1950-1980s)



Source: Editorial Board of Shanghai Chengshi Guihua Zhi (1999: 523)

With the priority on functionality, workers' apartments looked like rectangular boxes extruded upwards to 4 or 6 stories (Figure 4-8). The internal layout was generally symmetrical, with a central staircase and 1 or 2 dwelling units on either side. Because these were purposefully built housing rather than the progressively densified *lilong* dwellings, they usually offer slightly better housing conditions in terms of space per capita. Some apartments also contained shared bathrooms and toilets. In general, workers' apartments stand in stark contrast to the historical *lilong* estates in central Shanghai (Xu, 2004: 166).

Figure 4- 8 Workers' apartments



Source: Safier, 2001: 70

Apart from new construction, Shanghai's housing demand was generally solved via the densification of existing housing. This involved the subdivision of existing dwellings to accommodate more family members or households (Wu, 1996; Chang and Tipple, 2009); or by the addition of extra levels to existing buildings with adequate structural integrity (Li, 2004). Since the 1970s, with the arrival of new building techniques, some high-rise housing has also been constructed to optimise urban space (Xu, 2004: 159). Some of these are located within the inner ring road, but mainly in areas outside of the old concessions.⁷⁵ Between 1959 and 1980, only 2.8 million m² of old housing (averaging 87,000m² per year) had been demolished during redevelopment in Shanghai, and almost half of these (1.3 million m²) were slums and shanties (Wang *et al.* 2000: 199). Therefore the majority of the historical housing stock in central Shanghai have been fully utilised until the 1990s.

4.4 Market-based urban development since the 1990s

The 1990s saw Shanghai's urban development shift from a 'plan-led' to a 'market-led' approach (Zhu, 1999; Wu *et al.* 2007). A new fiscal contract signed by Shanghai with the central government in 1983 had allowed the city to retain

⁷⁵ For example, the redevelopment projects on Caoxi North Road and Wanhong Du Road (Xu, 2004).

30 per cent of its revenues, which boosted its capacity to invest in urban infrastructure (Yusuf and Wu, 1997). Moreover, a commercial housing sector had been established by the state between 1980 and 1983 with the establishment of the first real estate development companies in the city (Li, 2004). However, large scale urban and housing redevelopment did not occur until after 1990. Along with the announcement in 1992 to develop Shanghai into a world city; three other catalysts are central to the expansion of investment into urban development. These include seminal reforms in China's land and housing systems, and the state's assistance on developing the real estate industry. A large body of literature already exist on these topics. The goal here is to summarise the key points in order to contextualise Shanghai's development environment, which lays the foundation to explain the emergence of mixed neighbourhoods in chapters 6 to 8.

4.4.1 The Land Reform

Since the 1950s, all urban land in China had been gradually nationalised by the state. The use of urban land in socialist China is allocated by the state to SOEs and work-units. Once in charge, these entities become the 'as-of-right' owners of the land, who can decide the development of buildings within their land (Yeh and Wu, 1996). The old system had two main problems. First, it contributed to the inefficient and incompatible land use within the city (Wu, 1997). Second, since urban land had no value, there was no incentive for redevelopment. The national Land Reform in 1988 separated the ownership and use-rights of urban land in the Chinese Constitution (Walker, 1991). The ownership remains with the state, while the use-rights can now be traded by the payment of a transference fee, which guarantees the purchaser a right to use the land for a period of time i.e. a form of leasehold (Walker, 1991). Typically the land-use-right would last for 70 years for residential and 50 years for commercial and industrial uses (Walker, 1991). The Land Reform thus reinstated value into urban land, and gave developers incentives to purchase urban land and carry out redevelopment, with the opportunity to generate profits after real estate development (Yeh and Wu, 1996).

For the government, revenues from land leasing have become a new and important revenue stream for urban renewal, which had been previously constrained prior to land reform (Yeh and Wu, 1996). Land leasing had been estimated to provide 25 to 50 per cent of all local government revenue (Olds, 2001: 185). Profits from land sales were used on urban infrastructure, and relocating work-units and residents involved in urban redevelopment (Editorial Board of Shanghai Jienshe, 1996: 610). The scale of land leasing increased rapidly after 1992 (Table 4-2). Between 1988 and 1991, a total of 980 hectares of urban land (12 plots) were leased, averaging 326.7 hectares per year. Between 1992 and 2000, a total of 15,398 hectares of urban land were leased, averaging 1,710 hectares (615 plots) per year. The revenue from land leasing between 1991 and 1995 alone amounted to 11 billion yuan (Xu, 2004).

Table 4- 2 Situation of land leasing in Shanghai 1988-2000

Year	No. of plots leased	Land area ha (10,000m ²)	Of which, ha for residential (10,000m ²)
1988-1991	12	980.4	7.2
1992	205	2,071.6	529.3
1993	244	4,914.9	269.5
1994	460	1,477.4	232.8
1995	499	1,245.2	446.3
1996	640	898.3	414.7
1997	1,029	1,430.8	698.0
1998	1,326	1,614.5	890.1
1999	1,129	1,546.0	788.9
2000	1,325	2,183.2	993.6
Total	5,534	16,379.2	4,279.7

Source: SSB, reorganised by Li, 2004: 112

4.4.2 Housing Reform

Various trials of the housing reform had been conducted in various pilot cities across China after 1979. Its goal was to commercialise and reform the socialist public-sector-dominated housing system (Wang and Murie, 1996, Wu, 1996; Zhou and Logan, 1996). Like urban land, urban housing had been gradually nationalised by the state since 1949. By 1985, 90 per cent of the urban housing stock in Chinese cities was under public ownership (Zhang, 2000). Due to the limited investment in urban housing, and the low rent charged on housing,

problems of the old housing system became hotly debated in the 1980s. The most prominent issues included housing shortage, insufficient investment, unfair distribution, the low rent system and poor management (Wang and Murie, 1996)

Shanghai's own comprehensive Housing Reform programme was released in 1991. The fundamental change brought by the programme is the new stipulation that the city, employers, and employees would all have to contribute to housing provision, which would gradually shift the free housing provision system to a paid, self-supporting distribution system (Wang and Murie, 1996). Key elements of the housing reform scheme included the establishment of a compulsory house savings fund (provident fund or *gong ji jin*), rent increases, rent subsidies and bonds, discounts for home purchase, and establishment of a housing commission to work on housing reform (Wang and Murie, 1996).

Subsequently, a series of modifications were carried out on the housing reform programme. After 1993, Shanghai started privatising its workers' apartments. By early 1997, those who purchased their public housing could put their homes on a secondary housing market and trade for better housing (Li, 2004).⁷⁶ This aimed to circulate more capital into the housing sector in a stagnant real estate market in the wake of the 1997 Asian Financial Crisis (see later). A revised housing policy in 1998 announced that the city would abolish the old welfare housing characterised by in-kind allocation, and replace it by the housing provision via real estate markets (Hamer and van Steekelenburg, 1999; Lee, 2000).⁷⁷ The new feature included the establishment of a housing finance system "to help developer and individual households with loans and mortgages to facilitate the housing market" (Wu *et al.* 2007: 53).⁷⁸ The revision also set up a new multi-layered housing system which provides three types of housing to families at different income levels. The high-income households (top 10 %) will

⁷⁶ This is the market for public housing resale. Residents do not have a full property right of public housing that is sold under the housing reform. Most only have the 'right of use'. The new policy allows the right to be sold for the purchase of commodity housing. This may, as the government hoped, reduce severe vacancy in the commodity housing sector (Wu, 2001a: 1756)

⁷⁷ In-kind housing distribution was abolished in most cities after July 1999 (Wu, 2001a: 1757)

⁷⁸ In May, the SMG announced that it would supply a record 7 billion yuan (about US \$843 million) that year in mortgages to encourage home purchase and boost the lacklustre property market (*China Daily*, 25 May 1998, p. 7 cited in W. Wu, 1999: 212)

have to buy or rent from the market; middle-income households (middle 70-80%) can access the so-called 'economic' housing supported by the state by reducing or exempting tax and land premium; and finally, low-income households (lowest 10-20%) will be provided with cheap rental housing from the government. The bulk of this new housing provision system, about 60-70 per cent will be 'economic and comfortable housing' (Wu, 2001b: 278). Although this sector was never achieved properly, the new policy did push middle-income families into housing markets, and a monetary-based housing system was basically established in Shanghai (Wu *et al.* 2007).⁷⁹ Consequently, at the end of 2000, the non-state purchase of new and second-hand housing had reached 97.5 per cent of all housing sales in the city (Li, 2004: 114).

4.4.3 State assistance of the real estate sector

The state played an important role in the establishment of the real estate sector. The embryonic real estate industry in the early 1990s received a huge boost in 1992 when the then Premier Deng Xiao Ping promised further economic reforms during his famous speech in South China. With increased confidence, foreign investment surged into Shanghai's real estate sector. Housing investment, which had been increasing steadily from 4.3 billion yuan in 1990 to 7.7 billion in 1993, suddenly jumped to 30 billion in 1994 (Table 4-3). This surge of investment had been maintained almost continuously, reaching a peak of 94 billion yuan in 2005, before dipping down to 87 billion yuan in 2008. Overall, housing investment as a percentage of total investment in fixed assets had been consistently above 20 per cent between 1994 and 2004 (the peak), before dipping back down to 18.1 per cent in 2008.

⁷⁹ See Wu *et al.* 2007 Chapter 3 on how housing became an attractive investment sector, and the factors which drove up the property prices since the late 1990s. This included the effects of new mortgage lending, cuts in interest rates, issuance of a new savings tax in the late 1990s, the burst of the stock market bubble in 2002, and the influx of speculative investors from China's prosperous regions.

Table 4- 3 Housing investment in Shanghai 1988-2008

year	Investment in housing (100 million yuan)	As percentage of total investment in fixed assets (%)
1988	36.3	18.3
1989	44.8	16.7
1990	42.9	18.9
1991	48.9	18.9
1992	61.2	17.1
1993	77.1	11.8
1994	300.7	26.8
1995	433.8	27.1
1996	467.0	23.9
1997	458.2	23.2
1998	405.0	20.6
1999	378.8	20.4
2000	443.9	23.7
2001	466.7	23.4
2002	584.5	26.7
2003	694.3	28.3
2004	922.6	29.9
2005	936.4	26.4
2006	854.2	21.8
2007	853.1	19.1
2008	871.5	18.0

Source: SSB, 2009

Note: before 1981, investments and floor space of residential housing completed in this table did not cover private-built houses in urban and rural areas and rural investment. The whole society has been covered since 1981.

In April 1996, the SMG identified real estate as the new economic growth industry, and a pillar in its tertiary sector. In the following July, the Central State identified commodity housing as the new national economic growth sector and a consumption growth pole (Li, 2004: 113). After the 1997 Asian Financial Crisis, housing was again chosen as an investment area in order for China to maintain the national target of an 8 per cent economic growth rate.⁸⁰ It was hoped that the growth in this sector would help to absorb savings and to stimulate growth in other related sectors such as the building industry and home furnishing (Wu, 2001b: 277). During Shanghai's 9th 5 Year Plan (1996-2000), a series of additional policies were released to help expand the housing supply and demand. These included issuing 'blue-*hukou*' to attract buyers from other provinces, lowering the property tax, issuing new tax rebates on housing purchase, and beneficial policies to encourage housing development (Li, 2004: 113, see also next section for policies to encourage housing development).⁸¹

⁸⁰ The high growth rate was seen as a necessary measure to ease rising unemployment and thus maintain social stability (See Wu, 2001b)

⁸¹ The Blue *hukou* were offered to foreigners (outsiders) who were willing to pay at least US\$50,000 for an apartment. These residence cards are special that they offer holders no restrictions in terms of working in Shanghai, and offer them advantages as proper residents e.g. school and doctors (V. Wu, 1998: 155)

The commodity housing industry thus has a dual role of providing housing renewal and stimulating economic growth (Wang and Murie, 1999; Wu, 2001a). Between 1990 and 2008, a total of 369.5 million m² of housing were constructed in Shanghai, representing 60 per cent of all new building construction in the period (Table 4-4). The next section will examine the policies adapted to renew the central city housing stock.

Table 4- 4 Floor space of completed buildings in Shanghai in main years (1985-2008)

Year	Floor area completed (10,000 m ²)	Of which- housing (10,000 m ²)	% of housing in total construction
1985	2,910	2,112	72.6
1986	2,494	1,790	71.8
1987	2,701	1,875	69.4
1988	2,457	1,758	71.6
1989	1,942	1,247	64.2
1990	2,138	1,339	62.6
1991	1,924	1,160	60.3
1992	2,608	1,379	52.9
1993	2,032	1,018	50.1
1994	2,519	1,349	53.6
1995	3,094	1,747	56.5
1996	3,255	1,873	57.5
1997	3,614	2,180	60.3
1998	3,364	1,964	58.4
1999	3,258	1,732	53.2
2000	3,267	1,724	52.8
2001	3,215	1,744	54.2
2002	3,103	1,881	60.6
2003	3,582	2,281	63.7
2004	4,933	3,270	66.3
2005	4,874	2,819	57.8
2006	4,901	2,747	56.0
2007	5,068	2,844	56.1
2008	3,829	1,899	49.6
Total since 1990	64,938	36,950	56.9

Source: SSB, 2007, 2009

4.5 Housing renewal since the 1990s

The predominant mode of housing redevelopment since 1990 has been “property-led” and “state-sponsored” (He and Wu, 2005, 2007). This was carried out on the basis of large scale relocation of existing residents to the outskirts of the city (Dowell, 1994; Gaubatz, 1999; He and Wu, 2005), leading to the gentrification of the inner-city (He, 2007, 2007). In order to facilitate urban

renewal and increase the renewal efficiency among urban districts, administrative and financial powers have been gradually devolved from the municipal government to district governments (Zheng, *et al.* 1996; Wu, 2003). In the process, district governments have gained new independent powers to grant development projects of up to US \$10 million in value without municipal approval (Olds, 2001: 184). As with revenues from land leasing, tax revenues generated from real estate development has also become an integral part of districts' incomes.⁸² This symbiotic relationship between the government and developers has been paralleled to the Western 'pro-growth coalition' in the new urban redevelopment processes (Zhu, 1999b, Zhang, 2002; Zhang and Fang, 2004). Consequently, roles of governments have diversified from a provider and caretaker of urban housing to a facilitator of market forces to stimulate private sector involvement in the redevelopment processes (see Zhang, 2002; He, 2007). This changing role can be illustrated via a review of Shanghai's housing renewal policies. The first phase of renewal (1991-2000) is concentrated on clearing the slums and shanties in the central area. It contained three programmes: 365 slum clearance (365-programme hereafter), Housing Amenities Fulfilment Initiative (HAFI), and the Pinggaipuo programme (PGP). The second phase of renewal (2001-2005), involves the New Round of Redevelopment Initiative (NRRI) which is mainly focused on rehabilitating the remaining dilapidated housing in the city.

4.5.1 Housing renewal programmes

The priority of the first round of renewal was the 365-programme, which aimed to demolish 3.65 million m² of slums and shanties by the year 2000 (Zhu and Qian, 2003). The demolition was based on a principle of land leasing. The HAFI was aimed at improving dwellings in old residential neighbourhoods that were of better quality and structural integrity, but had suffered from poor living standards either due to initial design or gradual overcrowding. The programme stipulated

⁸² For example, the total fixed capital investment in Jing'an district in 1995 was 57.03 billion yuan. Of which commodity housing investment was 52.2 billion yuan (91.1% of total) (SJSB, 2005). In the same year, the district revenue from real estate development reached 40.1% of the total annual district revenue (Y. Huang, 2006b: 82).

that the rehabilitation should principally maintain the original structure, whilst improving the dwelling layout, strengthening the structure, and install kitchen and bathroom facilities where possible. The PGP began as a small programme that involved adding new pitched-roofs to 13 old workers' apartments to remedy poor insulation, leakage, and improve their visual appearance. In October 1999, the SMG decided to enlarge the scope of PGP and the rehabilitation became more comprehensive to include adding extra levels (as long as the original structure would allow), and facilities e.g. private bathrooms, pressurised water supply, elevators and upgrading the neighbourhood environment e.g. widening roads and improving green space (Xu, 2004).

The NRRI (round 2) was launched in February 2001, after the successful completion of the 365-programme in 2000, which lasted until 2005.⁸³ Its priorities were to rehabilitate 20 million m² of old housing identified at the end of 2000 by the Municipal Housing Bureau.⁸⁴ In total, 16 million m² (81%) of these, occupying 3,050 hectares, were located in the central area.⁸⁵ There was also 3.54 million m² of houses requiring facilities fulfilment (mainly located in the central districts of Jing'an, Luwan, Hongkou, and Yangpu, Zabei, and Putuo), 10.2 million m² of houses worthy of preservation-style rehabilitation (5.5% of total central city stock), and 7 million m² of shacks and the most dilapidated worker's apartments, which required demolition (Xu 2004: 195).⁸⁶ Projects under the NRRI were to adhere to the combined principles of "demolition, alteration, and retention". The demolition-style rehabilitation is applied to areas in which over 70 per cent of their housing was of old-style *lilong*.⁸⁷ The

⁸³ Round 3 of renewal coincided with the period of the 11th Five Year Plan (2006-2010). This round targets the remaining 10 million m² of 2nd grade *lilong* houses. The renewal method is based on demolition, as these houses are deemed to have no preservation value (<http://www.shanghai.gov.cn/shanghai/node2314/node2319/node11494/node12331/node12343/node22595/userobject26ai17516.html> accessed 30 March 2010). The SMG aimed to demolish 4 million m² of these housing in the period. Between 2006 and 2008, about 2 million m² were demolished (or 47% of the target). Key focal area are Huangpu district in the old core, and other areas north of Suzhou River including districts of Hongkou, Yangpu, Zhabei, and Putuo. These all contain more than 1 million m² of 2nd grade *lilong* houses each (see http://www.srea.org.cn/news_a_show.asp?id=1167 accessed on 30 March 2010).

⁸⁴ These included grade-one *lilong* (5.3 million m², 32.3% of total), grade-two *lilong* (8.9 million m², 54.2%); and shanties (2.2 million m², 13.6%). The city has 941 plots marked for redevelopment (Xu, 2004: 194).

⁸⁵ Xu, 2004: 194, referred to 4 inner city districts of Luwan, Huangpu, Jing'an and Huxhui.

⁸⁶ Those targeted to preservation-style rehabilitation included 2.22 million m² of garden villas and old apartments; 3.05 million m² of new-style *lilong* houses; 1.89 million m² of old *lilong* houses (grade 1 and 2); 1.46 million m² of old workers' apartments; and 2.24 million m² of other unique buildings (Xu 2004: 195)

⁸⁷ Especially those categorised as grade-2 or lower

alteration-style rehabilitation is applied to workers' apartments that have acceptable structural integrity, but lacked adequate facilities such as gas supply, private kitchen and/or toilets. The retention-style rehabilitation is applied to areas of important cultural or architectural value. These would be redeveloped according to the newly established regulations on heritage preservation (Zhou *et al.* 2007).⁸⁸ Importantly, the initiative stated that all developments should facilitate residents to move back to their original addresses, or at least back to within their original neighbourhoods, after their payment for new dwellings.⁸⁹

4.5.2 Beneficial policies

In order to accomplish these renewal targets on time, a series of beneficial policies were issued by the SMG to reduce supply-side constraints. For example, the 365-programme reached a bottleneck in the mid-1990s due to the extensive area covered in the programme, and the limited ability of the then embryonic real estate market to absorb the increased housing supply (Liao and Zhao, 1996). On 22nd April, 1996, the SMG issued the No. 18 document, which contained policies that allowed developers to delay the payment of, or the complete exemption of land transference fees for sites included in the 365-programme. The document also exempted numerous development related fees, which can mount to millions of yuan.⁹⁰ Furthermore, the FAR of developments were often relaxed to increase their profitability. In addition, application processes for development were stream-lined by devolving power from the Municipal Housing and Land Administration Bureau to individual district governments, who could now prepare and coordinate projects with developers to speed up the implementation process. When the effects of the 1997 Asian Financial Crisis begin to stagnate Shanghai's real estate sector (Jiang *et al.*

⁸⁸ These include "Regulations for the Preservation of Inner-city Historical Scenery in Shanghai", "Methods on the Management of Outstanding Contemporary Architecture in Shanghai, and "Suggestions regarding the Trial Redevelopment of Street Neighbourhoods containing Historical Architecture". For more information see Xu, 2004: 196, Zhou *et al.* 2007

⁸⁹ The SMG officially ended allocated in-kind housing in 1998. Apart from socially assisted housing, all other housing was to be purchased on the market in a new monetary compensation system.

⁹⁰ Related fees include *hukou* registration, application for housing demolition and relocation, air defence, compensation for the demolition of state enterprise buildings, and the provision of infrastructure related to proposed development. For large development sites, the last two could potentially mount to millions of yuan. For further details, see Xu, 2004; Tian and Wong, 2007.

1998; Haila, 1999), the No. 33 document was released in August 1998 to assist the clearance and redevelopment of the remaining slums (1.25 million m²) in the 365-programme.⁹¹ The notice included direct cash assistance to developers by municipal and district governments, which involved 300 yuan for every m² of demolition of the 400,000 m² of slums already granted for development, and 900 yuan for the remaining 850,000 m² not yet granted for development. Moreover, developers redeveloping the 4.25 million m² of grade-2 *lilong* and shanties in the slum areas received the exemption on the land conveyance fee and other beneficial policies included in the 1996 (No. 18) document (Shanghai Real Estate Market, 1998: 132-133).

For HAFI, the SMG issued on 24 March 1997 “The notice from SMG to The Municipal Housing Bureau regarding the Recommendations to Hasten Old Housing Rehabilitation”. The notice called for all HAFI projects to be the responsibility of district governments, which are to be led by a special Office for the Rehabilitation of Old Houses set up by individual district Housing Bureaux. The notice suggested various taxes, funding sources, methods of allocating and relocating residents, and beneficial policies to encourage rehabilitation. The exact policies were to be developed by individual districts according to their specific circumstances (see chapter 8 for the measures taken by Jing’an district on the case study neighbourhood). For NRRI, further beneficial policies were granted to developers. These included the exemption of land transference fees for approved sites under NRRI, the exemption from primary service fees (about 320 yuan/m²), the exemption from compensating the value of demolished state-owned properties, and discounts/or exemption from demolition and relocation management fees, and discount on the planning management fees (Tian and Wong, 2007). Moreover, projects under the alteration-style rehabilitation would enjoy the same beneficial policies stated in the 1998 (No. 33) document.

4.5.3 Consequences of housing renewal

⁹¹ 1998 (No. 33) document: “Notice regarding the methods to hasten the implementation of inner-city slums”.

Due to the decentralised governance, inter-district competition for investment became very intense (Zheng *et al.* 1996). Under the imperative to attract inward investment into their districts for urban development, measures to safeguard the social wellbeing of residents often became a secondary concern of the district governments (Xu, 2004). Areas in the 365-programme which should have been developed into medium- or low-cost domestic commodity housing (*neishao*), and have encouraged the return of original residents after redevelopment with necessary payments, often became high-income commodity housing, which was unaffordable to normal residents (Fig 4-9, see also He and Wu, 2005; Tian and Wong, 2007). In addition, most *lilong* rehabilitation projects achieved very low proportion of returning original residents (i.e. returnees) back to their previous neighbourhoods. Studies had reported the average return rate to be around 10 per cent, while the better ones reached about 30 per cent.⁹²

Figure 4- 9 Spatial distribution of post-1990 commodity housing in the city



Source: Y. Wang, 2002:36

During early rounds of renewal, original households affected by redevelopment were compensated by in-kind housing. As housing in the suburbs was cheaper to develop than the central city, relocation housing was generally built in the city's outskirts with poor infrastructure (He and Wu, 2005; Dowell, 1994). The

⁹² See article by Shanghai Real Estate Economics Institute Hongkou Division (2002)

system has now switched to full monetary compensation, whereby residents would receive cash compensation based on the size of their existing dwelling, size of their household, or a combined calculation based on the two aspects (Wu *et al.* 2007). Affected residents were to use their compensation money to solve their housing needs from the market. Between 1992 and 2008, more than 1.2 million households had been relocated due to redevelopment. Almost 65 million m² of old housing was demolished between 1995 and 2008 (Table 4-5). The massive depopulation of poor original residents and the influx of high-income residents into new commodity housing built in the central city have created the foundation for mixed neighbourhoods to emerge.

Table 4- 5 Housing demolition and residential relocations in Shanghai, 1992-2008

Year	Households relocated	Demolished housing (1,000 m ²)
1992	38,240	n.a
1993	86,582	n.a
1994	92,784	n.a
1995	73,695	2,539
1996	86,481	2,589
1997	77,388	3,632
1998	75,157	3,439
1999	73,709	2,482
2000	68,293	2,884
2001	71,909	3,867
2002	98,714	4,850
2003	79,077	4,755
2004	41,552	2,325
2005	74,483	8,519
2006	76,847	8,484
2007	49,092	6,900
2008	51,288	7,537
Total	1,215,291	64,802

Source: SSB, 2009

4.6 Mixed neighbourhoods in central Shanghai

As mentioned in chapter 1, many areas in central Shanghai contained the juxtaposition of contrasting housing conditions (Figure 4-10). This is because the area is both the main reservoir of Shanghai's old housing and the site favoured by new upmarket housing development (Y. Wang, 2002). During the redevelopment of neighbourhoods, declining housing estates are juxtaposed next to gentrified sites. The dilapidated old estates have become the main source of housing for the ordinary workers, the poor and migrant workers (Li

and Wu, 2006a: 702). Table 4-6 showed the housing composition of 9 inner-districts covered by the inner ring road in 2008. The estimated proportions of old housing in these districts ranged from 20 per cent in Jing'an, to 54 per cent in Xuhui, which illustrates the high potential to find mixed neighbourhoods.⁹³

Figure 4- 10 Uneven mosaic of the urban fabric in the inner-city



Source: Safier, 2001: 68 (Taken from the Oriental Pearl TV tower in Pudong over the old low-rise areas near to the Huangpu River and the surrounding panorama of recent high-rise office and residential development in Hongkou and Zhabei districts and beyond).

Table 4- 6 Composition of housing in districts covered by inner ring road in Puxi (2008)

Unit: 1,000m² floor area

	Huangpu	Luwan	Xuhui	Changning	Jing'an	Hongkou	Zhabei
All types	8,447.8	7,497.0	30,490.3	19,571.6	8,213.6	18,954.6	15,543.0
Villas	12.9	156.2	781.1	564.7	209.3	99.1	5.4
Apartment	25.8	2,850.2	1,143.3	175.9	358.2	157.4	1.9
Improved residential blocks	292.0	710.6	744.7	216.0	897.2	651.6	7.2
Staff class (1 st class)	5,203.8	1,558.8	11,044.3	8,062.4	5,024.4	8,718.9	6,855.8
Staff (2 nd & 3 rd class)	1,321.7	1,452.4	15,957.6	10,160.8	1,362.1	7,754.3	7,330.0
Lilong	1,233.5	740.8	437.8	368.1	313.2	1,460.9	1,313.0
Shanty	3.8	4.2	26.3	5.5	0.0	42.4	21.8
Others	354.2	23.8	355.0	18.3	49.2	69.9	8.2
Old housing as % of total*	30.3	29.3	53.9	53.8	20.4	48.8	55.7

Source: SSB (2009)

⁹³ This estimation was based on the total of staff (2nd & 3rd class), *lilong*, and shanties. The category of villas and apartments was not broken down to finer categories in the statistical yearbook to distinguish the old from the new construction. Therefore these were not included in the estimate. If these were included, especially for districts with a great number of old villas and apartments like Xuhui, the proportion of old houses should be even higher than the figures here suggested. The inner ring road only covered a very small area of Zhabei, so the old houses in this district were not included in the count.

Note: * This estimation was based on the total of staff (2nd & 3rd class), lilong, and shanties. The category of villas and apartments was not broken down to finer categories in the statistical yearbook to distinguish the old from the new construction.

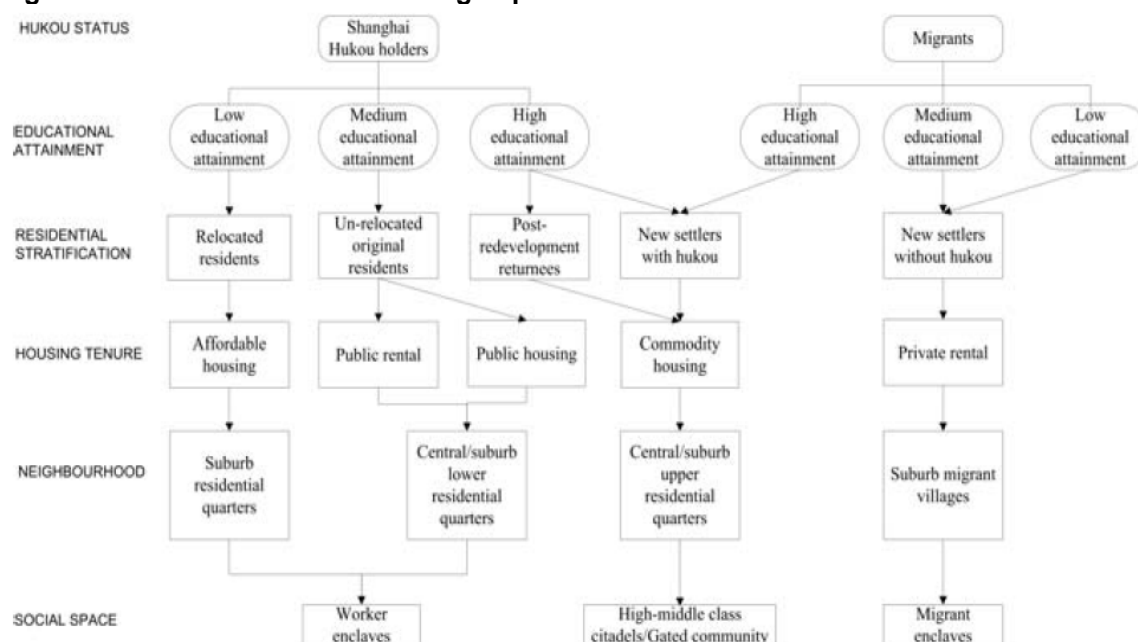
4.6.1 Social stratification and socio-spatial differentiation in post-reform China

Since housing reform, the determinant of residential segregation in China has shifted from old institutional factors to socioeconomic factors (Y. Huang, 2005; Li and Wu, 2006a, 2008). Stratified residents are increasingly sorted by their socio-economic status into 'differentiated neighbourhoods'. In the central areas, neighbourhoods have been transformed into gentrified upper residential quarters, while the remainder have turned into deteriorating workers' quarters (Li and Wu, 2006a). In the pre-reform period, the social areas in Chinese cities related more to different land uses rather than social stratification (Lo 1994; Yeh *et al.* 1995). There were two reasons for this. Firstly, the socialist egalitarian regime had ensured a relatively homogenous socio-economic status of the urban population. Secondly, because urban housing was allocated by enterprises, the location and facilities of neighbourhoods were dependent upon the workplaces rather than personal attributes (Logan *et al.* 1999). For example, Yeh *et al.* (1995) had found in Guangzhou that intellectuals had concentrated around academic institutions while workers generally lived near factories.

However, in the post-reform period, personal socio-economic attributes such as education attainment and *hukou* status have become exemplifiers of different social spaces (Li and Wu, 2008: 407; Wu and Li, 2005). Education has become important because it could affect employment opportunities, which in turn, could influence income. *Hukou* has also become important because since 2005, migrants with a college education were eligible to apply for a Shanghai *hukou*. These migrants, by way of higher education, possessed better opportunities to obtain jobs and earn higher income. Therefore high education attainment usually corresponded with high housing affordability, and both local people and migrants with high education generally became owners of new commodity houses in both the city-centre and suburbs (Li and Wu, 2008). On the other

hand, normal Shanghai *hukou* holders generally possessed low or medium education attainment. With limited housing affordability, they generally have stayed or moved into workers' enclaves, which included both rental or privatised public houses (i.e. pre-1980s housing stock) and new affordable housing. These housing represented low residential quarters both in the inner-city and the suburbs. Finally, migrants with medium or low educational attainment could not obtain a local *hukou*, so they could only access private rental housing or dilapidated public housing. Consequently, the new social structure in post-reform Chinese cities consisted of elites, ordinary local people and rural migrants (Li and Wu, 2008). Figure 4-11 showed the mechanisms of restructuring of social spaces in post-reform Chinese cities.

Figure 4- 11 Residential restructuring of post-reform Chinese cities



Source: Li and Wu, 2008: 408

Inequality among Shanghai's urban residents has also increased in the post-reform period. The city's Gini index on income had increased from 0.15 in 1987 to 0.27 in 1995 (Lu, 1997 cited in Wu, 2001a:1755).⁹⁴ Recent studies have also illustrated the contrasting incomes of residents among Shanghai's different housing sectors (Y. Wang, 2002; He and Wu, 2007). For example, the urban poor generally concentrate in the old neighbourhoods consisted of pre-1949

⁹⁴ The Gini index reflects the degree of income concentration. A Gini index of 0 means an absolutely equal distribution, and 1 means absolute inequality. The larger the index, the higher degree of income inequality.

houses and pre-1980s work-unit dormitories (Y. Wang, 2002; Y. P. Wang, 2004). In comparison, wealthier residents generally occupy new commodity dwellings (Y. Wang, 2002; Zhang *et al.* 2001). A survey in Shanghai in 1999 had found the average monthly household income of inner-city, high-income estates to reach 8,000 yuan, which was 5 to 6 times the income of households from pre-1980 estates including workers' apartments and *lilong* estates (Y. Wang, 2002).⁹⁵ He and Wu (2007) later compared the socio-economic differences between a traditional *lilong* estate and a high-income estate developed from similar original characteristics. The residents in the redeveloped estate were found to have higher socioeconomic status, including significantly higher family annual income, as well as higher education attainment, and higher proportion of professional employees.⁹⁶ Using this relationship, it is possible to visually identify mixed neighbourhoods using the housing type as a proxy.

4.6.2 Identifying mixed neighbourhoods

Central Shanghai (in 2009) contains 5 main housing types. Seen from the air, the *lilong* houses have maroon-tiled roofs. They are arranged in rows along spines of narrow alleyways, and have the finest morphological grain. The workers' apartments appear as orderly rows of rectangular boxes in grey (or blue or red for those that had underwent PGP rehabilitation). Pre-1949 garden villas and apartments are mainly standalone buildings. Compared to the post-1990 commodity houses, they have smaller building footprints and smaller spacing among buildings. Lastly, the post-1990 commodity housing developments are generally high-rises with the largest building footprints, which are often situated on extensive private grounds (Li, 2004; Tian and Wong, 2007). These are often laid out less orthogonally in their compounds due to stylistic or functional considerations i.e. to coordinate with internal landscaping or to

⁹⁵ This was based on a survey conducted by the Planning Department of Tongji University and Shanghai Municipal Planning Bureau in 1999 on 17 residential estates in 13 different districts. The survey covered high-income commodity (unit price above 4,500/m²), mid- to low-income commodity (unit price below 4,500/m²), workers' apartments, pre-1949 estates, and marginalized estates. The survey returned 1,018 questionnaires, and covering 50-70 households in each estate.

⁹⁶ 95% of respondents in the traditional *lilong* estate earned less than 50,000 yuan a year, while 67% of respondents in the high-income estate earned more than 50,000 yuan (in fact, 35% earned more than 200,000 yuan a year) (Li and Wu, 2006a).

maximise apartments' views etc.

As mentioned in chapter 1, the spatial boundary of a neighbourhood in this study is based on the concept of the residents' 'home area', which corresponds with a distance of 5-10 minutes' walk from one's home (Kearns and Parkinson, 2001).⁹⁷ Based on the average adult walking speed of 3 to 4 ft/s (Steiner and Butler, 2007: 280), this would give a largest possible 5-minute walking radius of about 360m.⁹⁸ Consequently, imaginary rings of 720m diameter are visually scanned across Shanghai's aerial photograph in search of mixed neighbourhoods.⁹⁹ In order to distinguish a mixed neighbourhood from a homogenous neighbourhood, the former is defined as a home area in which the footprints of post-1990 commodity housing (i.e. wealthier residents) occupy at least 20 per cent of the total neighbourhood land area. Due to the limited population data at the neighbourhood level, this approximation provides a novel way to quantify and qualify mixed neighbourhoods.¹⁰⁰

4.6.3 The nature and distribution of mixed neighbourhoods

Following this method, a total of 33 mixed neighbourhoods have been identified within Shanghai's inner ring road (Figure 4-12). All of these were found on the Puxi side of Shanghai, and they take up approximately 13-17 per cent of its land area.¹⁰¹ Based on their spatial distribution, 4 distinct zones could be discerned in the city.

⁹⁷ This related to the study's second research concern on residents' locally-based social interactions. In the home area, this is where the social bonds and residents' psychological attachment to place is strongest.

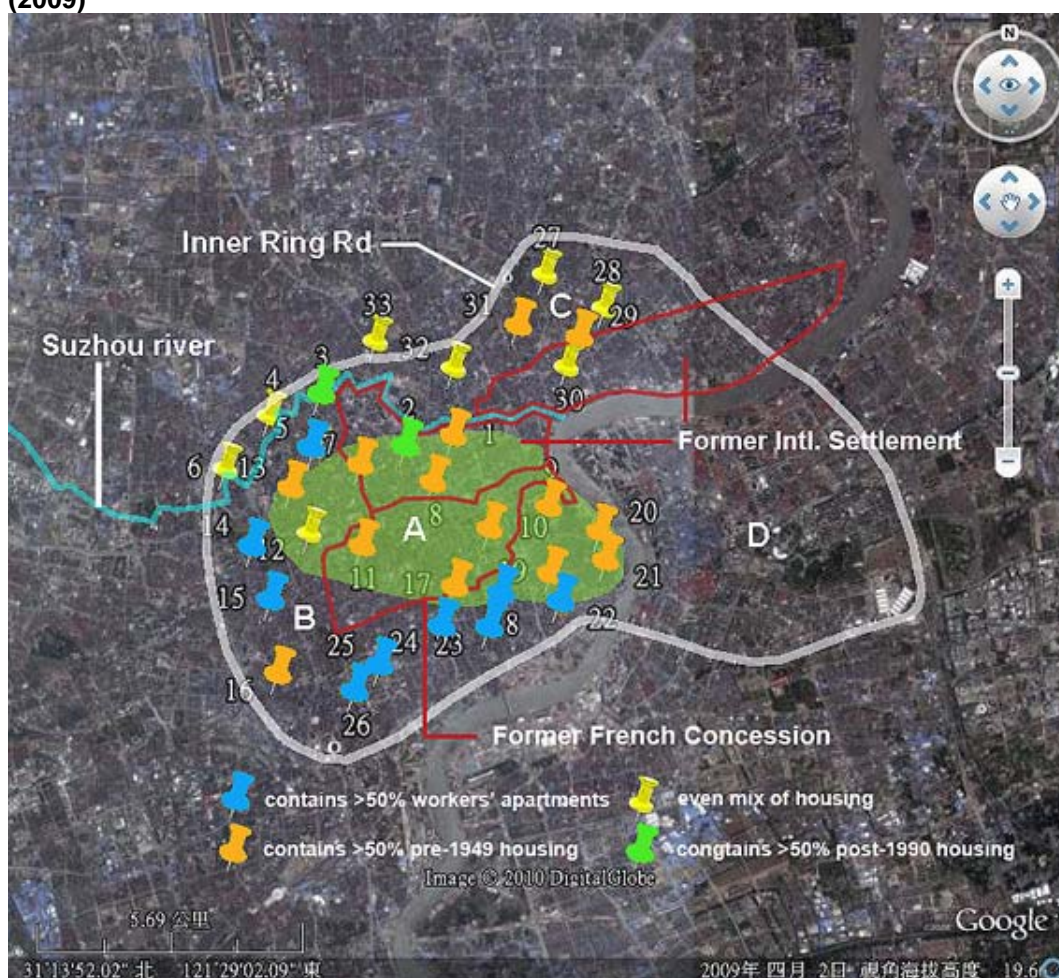
⁹⁸ The average walking speed as stated in the Planning and Urban Design Standards by the American Planning Association (Steiner and Butler, 2007: 280). This produces a spatial boundary similar to the recommended 5-minute walkable neighbourhood scale of a 1/4 mile radius (400m) in many Western urban design guides. These included the neighbourhood unit used in the First Regional Plan of New York (1927), the Traditional Neighbourhood Development model, and the Australian Livable Neighbourhood model; see Duany and Plater-Zyberk, 2003: 5.11-5 to 5.11-6.

⁹⁹ A 5-minute walking radius was used because at the scale of the 10-minute radius, the house types become impossible to discern in the Google Earth photo. The ruler tool on the Google Earth interface ensured the accuracy of scale during the search.

¹⁰⁰ Population of sub-districts is around 50,000 to 100,000 (Li and Wu, 2008)

¹⁰¹ The inner city area is approximately 80-100km² (Zheng, 1996).

Figure 4- 12 Distribution and composition of mixed neighbourhoods in central Shanghai (2009)



Source: Google Earth image photographed on 2 April 2009. Final annotation by author on 30 Jan 2010

Zone-A covered much of the city's historical core area and extends slightly beyond the boundaries of the former concessions which lie on the South of the Suzhou River. According to the aerial photograph, large areas in Huangpu and Luwan districts in this zone still contain *lilong* houses, while sporadic plots of post-1990s commodity developments are found in Jing'an and Xuhui districts. Here 13 neighbourhoods satisfied the mixed neighbourhood criteria (Table 4-7). These are neighbourhoods 1, 2, 7, 8, 9, 10, 11, 12, 13, 17, 19, 20, and 21. Due to the zone's rich heritage of pre-1949 housing, these neighbourhoods are composed mainly of pre-1949 *lilong* houses and post-1990 commodity housing. The presence of workers' apartments is minimal in these neighbourhoods. Figure 4-13 shows the close-up views of the first 6 neighbourhoods in Zone-A. For the rest, please see Appendix 2.

Table 4- 7 Housing composition of mixed neighbourhoods in zone A

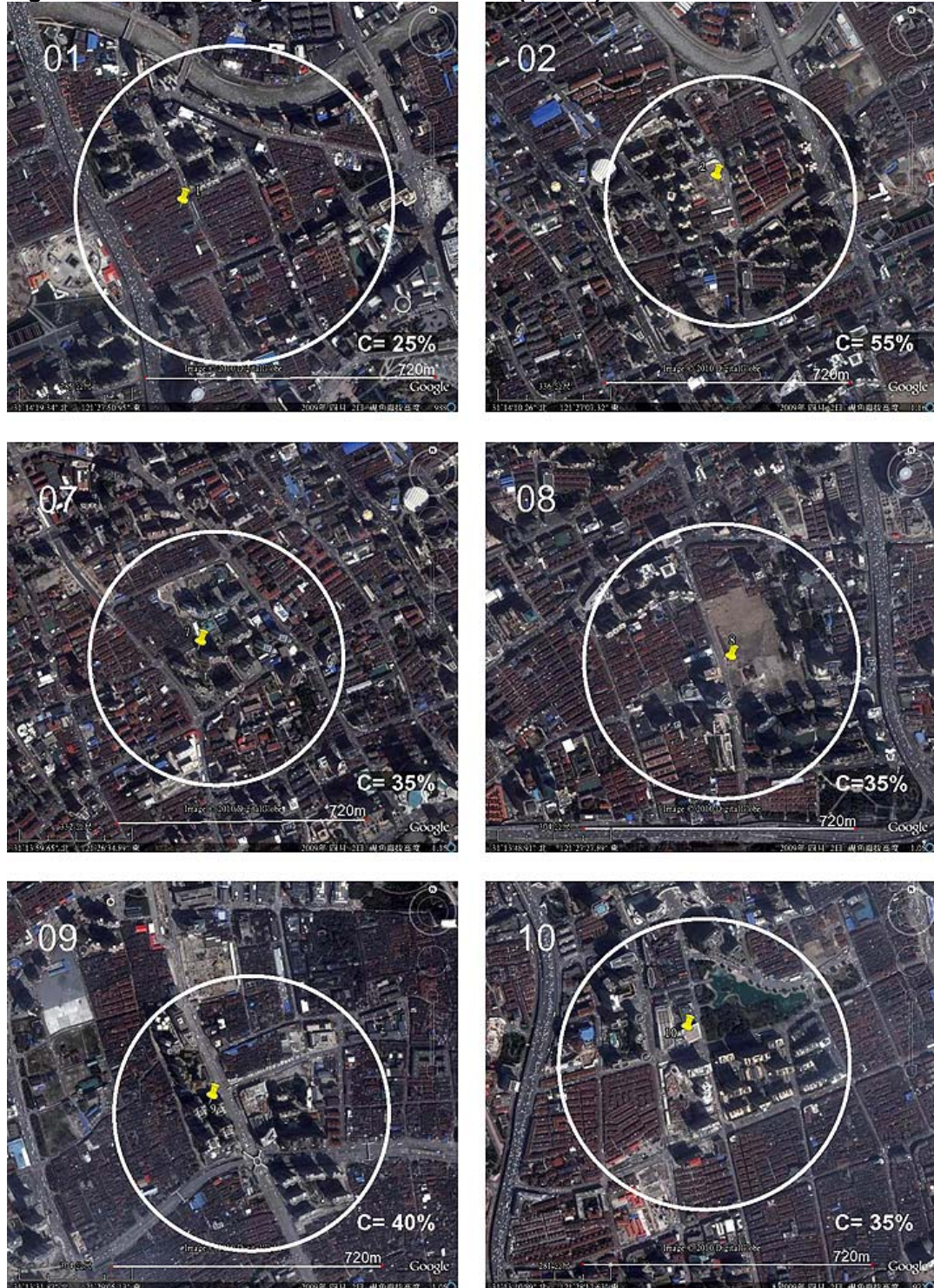
Neighbourhood No.	Estimated % of neighbourhood land comprising of			Within former concession?
	Post-1990s commodity residential towers	Pre-1949 <i>lilong</i> houses (& garden villas)	1949-1980s workers' apartments	
01	25	70	5	Yes
02	55	40	5	Yes
07	35	55	10	Yes
*08	35	60	5	Yes
09	40	57.5	2.5	No
10	35	65	0	Yes
*11	20	75	5	Yes
*12	30	40	30	No
*13	25	50	25	No
*17	40	55	5	No
19	35	55	10	No
*20	20	80	0	No
21	30	60	10	No

Source: Author's analysis (based on Google Earth aerial image taken on 2 April 2009, downloaded by author on 30 Jan 2010)

Note: * Disregarding the demolished area within neighbourhood

Colour codes: Orange: mix dominated by pre-1949 housing; Yellow: evenly mixed by housing types; Green: mix dominated by post-1990 housing.

Figure 4- 13 Mixed neighbourhoods in Zone-A (First 6)



Source: Google Earth image photographed 2 April 2009. Downloaded by author on 30 Jan 2010. Value C equals the estimated proportion of residential land within the neighbourhood occupied by post-1990 commodity housing (including all open space and gardens discernable to be part of the commodity development).

Zone-B occupies the area South of the Suzhou River on Puxi, excluding the area of Zone-A. It contains 11 mixed neighbourhoods. Spatially, these vaguely form a C-shape surrounding Zone-A. Much of the waterfront along the South

bank of the Suzhou River had been redeveloped via the demolition of slums and dilapidated housing. Consequently, mixed neighbourhoods began to appear about 1km inland from the river bank, where the frontier of redevelopment started to infiltrate the old urban fabric (neighbourhoods 3 and 5). In terms of housing composition, these neighbourhoods are predominantly dominated by workers' apartments (coloured blue in Table 4-8). This type of housing represents more than 50 per cent of these neighbourhoods' areas. Because the stock of *lilong* houses mainly existed within the boundaries of the concessions, their representation in these neighbourhoods is rather low. Figure 4-14 shows the close-up views of the first 6 neighbourhoods in Zone B. For the rest, please see Appendix 2.

Table 4- 8 Housing composition of mixed neighbourhoods in zone B

Neighbourhood No.	Estimated % of neighbourhood land comprising of			Within former concession?
	Post-1990s commodity residential towers	Pre-1949 lilong houses (& garden villas)	1949-1980s workers' apartments	
03	50	35	5	No
05	20	2.5	77.5	No
14	35	10	55	No
15	40	10	50	No
16	40	60	0	No
18	45	5	50	No
22	45	5	50	No
23	30	0	70	No
*24	25	0	75	No
25	30	0	70	No
26	20	5	75	No

Source: Author's analysis (based on Google Earth aerial image taken on 2 April 2009, downloaded by author on 30 Jan 2010)

Note: * Disregarding the demolished area within neighbourhood

Colour codes: Green: mix dominated by post-1990 housing; Orange: mix dominated by pre-1949 housing; Blue: mix dominated by workers' apartments.

Figure 4- 14 Mixed neighbourhoods in Zone-B (First 6)



Source: Google Earth image photographed 2 April 2009. Downloaded by author on 30 Jan 2010. Value C equals the estimated proportion of residential land within the neighbourhood occupied by post-1990 commodity housing (including all open space and gardens discernable to be part of the commodity development).

Zone-C covers the area North of the Suzhou River, and coincides with parts of the old International Settlement. It contains 9 mixed neighbourhoods. Neighbourhoods 4, 6 and 33 are located near the North bank of the Suzhou

River. They have been created as new housing redevelopment began to infiltrate landward as the waterfront of the Suzhou River became developed. The remaining 6 neighbourhoods are spread across the Northern part of Hongkou district. Here new housing developments take place in an urban fabric that is highly mixed with pre-1949 housing and workers' apartments (Table 4-9). Consequently, 7 of the 9 neighbourhoods are fairly evenly mixed with pre-1949 housing, workers' apartments and post-1990s housing. Figure 4-15 shows the close-up views of the first 6 neighbourhoods in Zone-C. For the rest, please see Appendix 2. Finally, Zone-D occupies the area on the Pudong side, east of the Huangpu River. According to the aerial photograph, this zone contains homogenous tracts of post-1990s commodity housing or 1970/80s workers' apartments. No mixed neighbourhoods have been found here.

Table 4- 9 Housing composition of mixed neighbourhoods in zone C

Neighbourhood No.	Estimated % of neighbourhood land comprising of			Within former concession?
	Post-1990s commodity residential towers	Pre-1949 lilong houses (& garden villas)	1949-1980s workers' apartments	
04	45	25	30	No
06	40	35	35	No
*27	40	35	25	No
28	45	35	10	No
29	45	50	5	Yes
30	45	35	20	Yes
32	25	45	30	No
**33	40	20	40	No
31	45	55	0	No

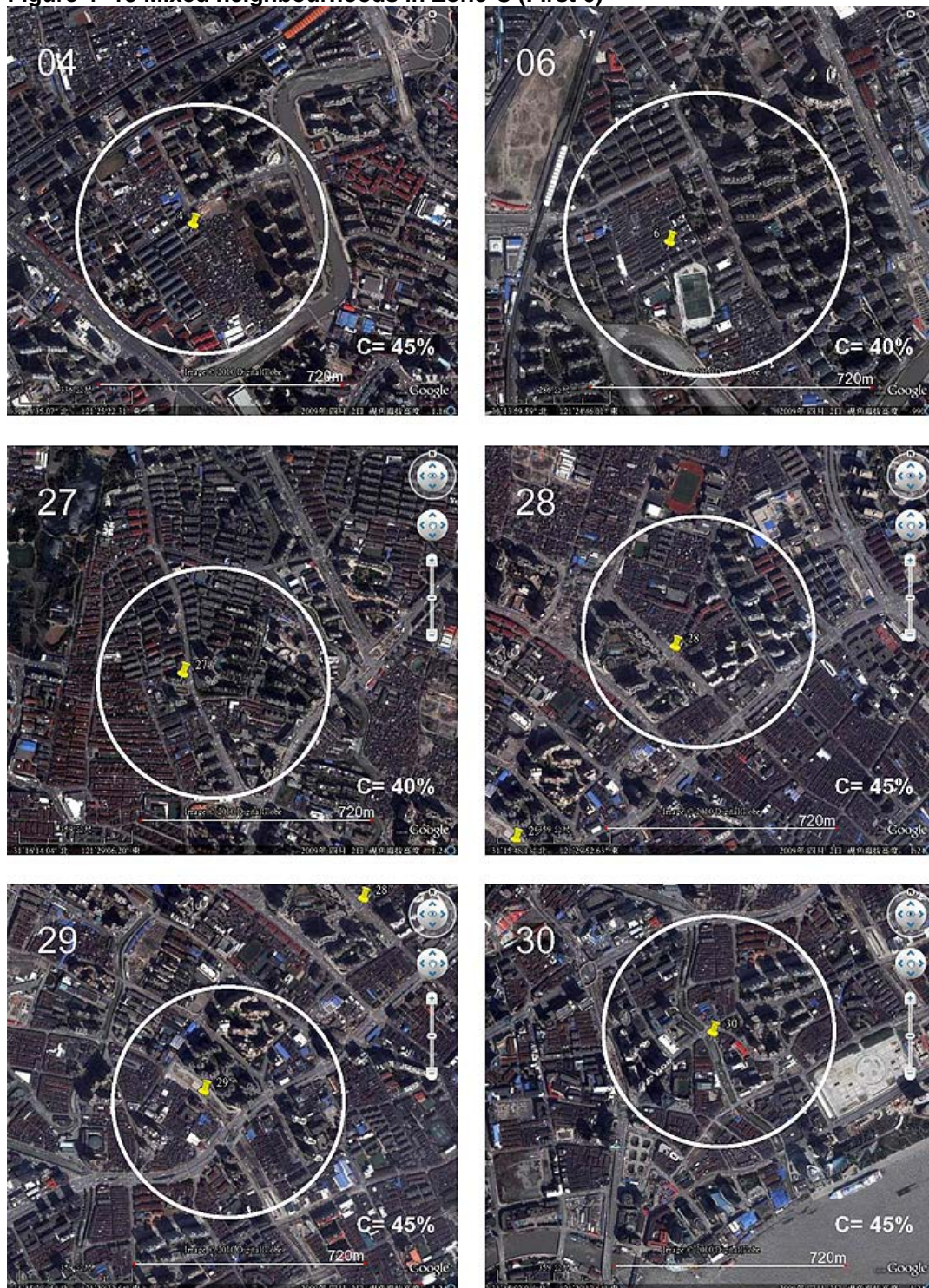
Source: Author's analysis (based on Google Earth aerial image taken on 2 April 2009, downloaded by author on 30 Jan 2010)

Note: * Disregarding the demolished area within neighbourhood

** Only concerning the area South of the inner-ring road, and North of the railroad.

Colour codes: Yellow: evenly mixed by housing types; Orange: mix dominated by pre-1949 housing.

Figure 4- 15 Mixed neighbourhoods in Zone-C (First 6)



Source: Google Earth image photographed 2 April 2009. Downloaded by author on 30 Jan 2010. Value C equals the estimated proportion of residential land within the neighbourhood occupied by post-1990 commodity housing (including all open space and gardens discernable to be part of the commodity development).

4.6.4 Comparison to the known model of social segregation

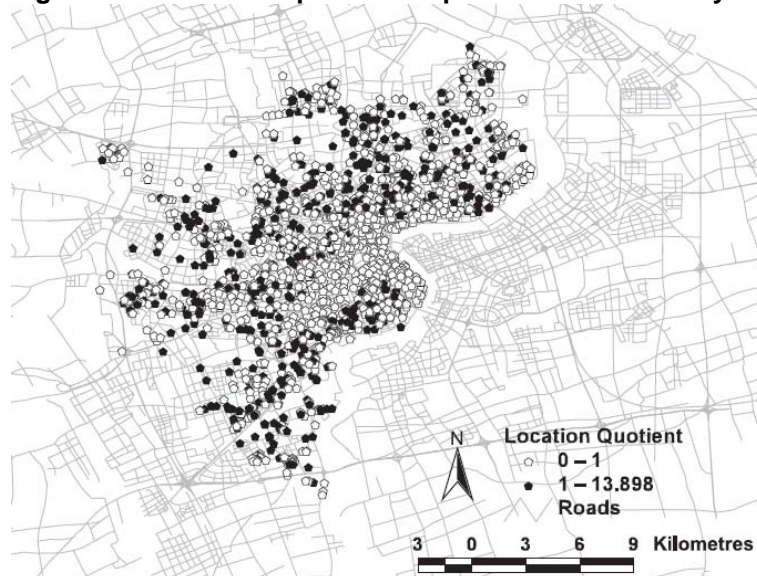
Li and Wu (2008) have provided the latest model of social segregation in

Shanghai. The study used the 2000 Census data on 10 of Shanghai's inner districts (the same as this study, since Nanshi and Huangpu were merged in 2000). This represented the finest spatial data used to-date to explore Shanghai's social segregation, as the measuring unit was based on resident committees (averaging 3,000 people). Due to data-limitations, all prior studies on China's segregation had used sub-district data based on a population of roughly 50,000 to 100,000 people (see Li and Wu, 2008 for an overview). Li and Wu (2008) compared the Index of Dissimilarity between residents' education attainment, *hukou* status, and tenure status, and found that segregation in Shanghai is most clearly revealed in tenure attributes. According to the authors, large areas of the old city core (foreign concessions) are dominated by socially rented housing, while the areas surrounding it (around the inner ring road) are occupied by purchased commodity housing, and the areas beyond it contain a wider mix of housing types including purchased social housing, affordable housing and other commodity housing (see Figures 4-16 and 4-17).

Findings from Shanghai's aerial photographs partially agreed with the spatial pattern provided by Li and Wu (2008). It has discovered an inner core coinciding with former concessions, which contains limited number of mixed neighbourhoods (i.e. dominated by *lilong* houses), and an increased presence of commodity houses in a c-shaped ring along the inner ring road that surround the inner core with mixed neighbourhoods comprising of post-1990s housing, workers' apartments and pre-1949 houses. The prevalence of mixed neighbourhoods identified within Shanghai's inner ring road challenges Li and Wu's (2008) conclusion that 'most communities are characterised by homogenous tenure and heterogeneous population'. The new evidence suggests that not only are socio-economic and physical attributes of central neighbourhoods diversified, but in many central neighbourhoods, the tenure structure may also be more spatially differentiated. Thus that the segregation pattern derived from resident-committee-level data (averaging 3,000 residents) has hindered the depiction of the intricacies of social, physical, and tenurial mix in central Shanghai. Observations from the aerial photo in fact support more strongly Weiping Wu's (1999) earlier observations on the residential mosaic of

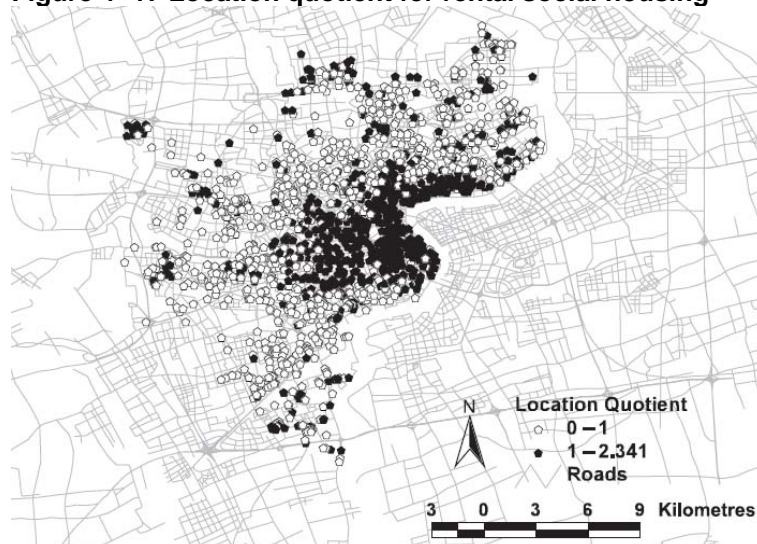
conspicuous contrasts in housing quality. The next chapter will zoom into a mixed neighbourhood to explore these intricacies in greater detail. The aim is to investigate its social, physical and tenorial attributes in order to further our understanding of the internal structure of mixed neighbourhoods in central Shanghai.

Figure 4- 16 Location quotient for purchased commodity housing



Source: Li and Wu, 2008: 414

Figure 4- 17 Location quotient for rental social housing



Source: Li and Wu, 2008: 414

4.7 Conclusion

This chapter has traced the key mechanisms leading to Shanghai's new mode

of market-based urban development, and reviewed the large scale housing redevelopment that resulted in the formation of 33 mixed neighbourhoods within the inner ring road of Shanghai. Starting from a key industrial city of China during the socialist era, the 1990s saw the new state policy to transform Shanghai into a modern-day world city based on the tertiary industry. Renewing housing in the old districts, upgrading infrastructure and altering its industrial structure became the three top development priorities. Two purposes were bestowed upon housing renewal: to resolve the city's housing problems of dilapidation and overcrowding, and to upgrade the city's environment in order to enhance further economic growth in Shanghai.

Prior to 1990, about 90 per cent of housing in Shanghai's inner-city was composed of *lilong* houses from the colonial era (1840s-1930s), and the workers' apartments from the socialist era (1945-1978). The *lilong* houses were densely built in the old foreign concessions, which occupied much of today's Huangpu, Luwan, Jing'an, and Hongkou districts. Following a period of languished housing construction that was marred by the turmoil of war and civil conflict between 1932 and 1945, the socialist government largely inherited the existing housing stock in the former concessions when it took over the city in 1949. During the following years of socialist central planning (1949-1978), housing investment and construction were limited. The socialist government prioritised its development on industrialisation. Housing was seen as a form of consumption, thus not a priority for investment. Despite the budget constraints, a series of large workers' villages had been built in the city's outskirts. However, new housing construction in the central city predominantly involved in-fill type development of workers' apartments. These were either the result of government-led slum clearance projects, or work-unit initiatives to build houses for their workers on available gaps in the existing urban fabric. Due to the lack of housing investment, housing demand during the period was mainly solved by processes of densification via the subdivision of existing dwellings to accommodate more households, or via the addition of extra levels to existing buildings. By 1990, the existing housing stock in the city suffered from a lack of maintenance, overcrowding, and private amenities.

In 1991, the government decided to rehabilitate old housing districts as part of the plan to develop the city into a modernised world city. The mechanism for urban redevelopment was mainly property-led, using landed interests newly created by the land and housing reforms. The land reform in 1987 separated the ownership of urban land in China from the right to use the land. The latter could now be traded on the market, and developers could capture profits after development of the land. This gave urban land in China a new value, and equally provided incentives for developers to take on development projects. The government, on the other hand, receives large sums of money from the selling of the land, which was then used on urban development by investing in infrastructure and relocating residents to assist redevelopment processes. Soon after, the Shanghai Housing Reform Plan was released in 1991, which was a culmination of series of housing reforms in China since the 1950s. The main purpose of housing reforms was to privatise housing construction and consumption. The socialist planned economy had long been plagued by the burden of providing housing for the urban inhabitants. As housing was considered a social good, minimal levels of rent were charged on its users. All urban housing were developed by SOE's and virtually distributed freely to their employees. The meagre level of rent was not enough to cover the maintenance of existing housing, let alone constructing new housing. The lack of new housing supply was integral to the problems of poor living conditions and unfairness in distribution during the socialist era. Housing privatisation was thus initiated to alleviate the financial burden of the state to provide urban housing by fostering both demand and supply of commodity housing. This was progressively delivered by establishing a housing provident fund which assisted workers to purchase private housing, privatising the existing stock of better condition workers' apartments, and ultimately terminating the in-kind allocation of houses by state enterprises to its employees and mortgages to support households' house purchases. By 1998, a market based housing system had basically been formed in the city.

The newly established real estate development sector since 1980s received a

boost in 1992 after the then premier Deng Xiao Ping promised more economic reforms in an open speech. The boost in confidence saw investment into real estate surge after 1993. Since 1994, unprecedented levels of buildings and housing were built in the city. In 1996, Shanghai officially identified real estate as a pillar industry in its tertiary sector, and the state identified housing as a key driver for urban development. To assist housing renewal, the government issued a series of policies that reduced supply side constraints. These included the full or partial exemption from development-related fees, direct cash subsidies, and the loosening of restrictions on the FAR of developments. In parallel, development processes were hastened by devolving planning power from the municipal government to district governments, who could now grant approval to proposals up to US \$10 million. The role of the state has been shifted from a provider of housing to become an enabler/facilitator of private investment.

The first phase of housing renewal (1991-2000) concentrated on extensive slum clearance via demolition, and the second phase on rehabilitation (2001-2005) focussed on rehabilitating existing dilapidated houses using the combined principles of demolition, alteration and preservation. Existing studies had shown that the predominant mode for both phases was based on demolition and relocation of existing residents. The inner-city has become a site for the development of new upmarket commodity housing alongside existing old housing left out of redevelopment. The juxtaposition of these widely diverse housing types and contrasting living conditions in close proximity characterised the emergence of mix neighbourhoods in central Shanghai.

Using the concept of the 'home area' and a neighbourhood boundary based on a 5-minute walking radius, the study has identified 33 mixed neighbourhoods in the Puxi side of central Shanghai. The spatial distribution of these neighbourhoods showed three district zones in Puxi. It revealed a central zone consisting of 13 mixed neighbourhoods. This zone largely coincided with the city's historical concessions and large areas are still composed of *lilong* houses, especially in Huangpu and Luwan districts. The second zone (remaining area

within the inner ring road, but on the South of Suzhou River and surrounding the central zone) contains 11 mixed neighbourhoods. The aerial photograph shows this is where most of post-1990s commodity housing development has occurred within the Puxi side of the inner ring road area. These mixed neighbourhoods formed a C-shaped ring surrounding the historical core. For mixed neighbourhoods in areas immediately adjacent to the edges of the former concessions, their housing composition was mostly a mixture of post-1990s housing and *lilong* housing. For mixed neighbourhoods in the areas along the Southern border of the inner ring road, their housing composition mainly consisted of a mixture of post-1990s housing and workers' apartments. The third zone (area within the inner ring road that occupied the area North of the Suzhou River) contains 9 mixed neighbourhoods. A few mixed neighbourhoods are found along the bank of the Suzhou River as housing development was drawn to the water front, while others are found to be scattered across the zone. Mixed neighbourhoods in this zone contain the most diverse mix of housing types. The majority of these contain fairly even proportions of *lilong*, workers' apartments and post-1990s housing i.e. housing from three different eras. This reflected the area's history of containing a patch work of housing from the colonial and the socialist period.

The prominence of these neighbourhoods suggested that the socio-spatial structure of central Shanghai is more nuanced than the existing homogenous pattern suggested by Li and Wu (2008), who claimed that the city is dominated by a central core of old, rental housing rented by local residents. These conclusion were probably due to both the age of data (based on 2000 Population Census), and the spatial constraints of census tracts based on the resident committee. Instead, the aerial photograph revealed that the reality of many central neighbourhoods is much closer to observations made by Weiping Wu (1999), who had previously described the unevenness of development in the inner-city, that contains areas of contrasting flashy commercial buildings and dilapidated housing; and those of Yi Huang (2006), who described the conspicuous contrasts between inner-city housing types and their residents at the micro-urban level as a kind of 'mosaic-type' social segregation.

The next chapter will zoom into one of the mixed neighbourhoods in Jing'an district. It will explore its internal structure by examining the physical conditions of housing estates, residents' socio-economic attributes, and types of tenure. Through the analysis, the diverse physical and social contrast observed by Weiping Wu (1999) will be further revealed, and the link between housing type and different social classes can be further strengthened.

5 Physical and socio-economic transformations in Shimen neighbourhood

5.1 Introduction

In this study, a mixed neighbourhood is defined as a neighbourhood with a heterogeneous mix of residents of different socio-economic attributes (e.g. age, income, education, employment), and dwelling types (e.g. housing type, prices and tenure). This chapter will explore Shimen neighbourhood in Jing'an district in great detail. This neighbourhood has been chosen for its wide coverage of housing types and suspected range in residents' socio-economic attributes. It will explore and compare the neighbourhood's physical conditions and social structure before and after housing redevelopment started here in 1997. The aim is to understand the nature of a mixed neighbourhood in central Shanghai, and reveal the physical and social consequences of post-1990s housing renewal.

Existing studies had already illuminated the fact of the real estate market acting as a new mechanism in filtering different socio-economic classes into different urban housing estates in post-reform China (Li and Wu, 2006a, 2008). The increasing inequality in income and living conditions among urban residents in Shanghai have also been described (Li and Wu, 2006a; He and Wu, 2007). In the city centre, mid- and high-income gated housing estates have emerged while residual workers' enclaves have been created by the entrapment of the poorer local population and the in-migration of poor migrant workers in dilapidated housing (Li and Wu, 2008). Some of the socio-economic attributes of residents in a worker's estate and a mid-income gated estate in Shanghai have also been illustrated (Li and Wu, 2006a). This chapter will attempt to pursue these aspects in more detail in the context of a mixed neighbourhood which comprises three different housing sectors.

Five adjacent housing estates in Shimen neighbourhood have been selected for

exploration. The worker's enclave is represented by two estates. Hengfeng Xiaoqu (HFXQ) is characterised by low-income, lowly educated workers typically illustrated in existing studies (Wu and He, 2005; Li and Wu, 2006a). Zhonghua Xingcun (ZHXC) contains residents of slightly higher socio-economic status, who possess a higher income, education and greater social status (i.e. better affiliation with party cadres). This type of workers' enclave has not yet been analysed in literature. The middle-income housing estate is represented by Xing Fukangli (XFKL), a development containing a mixture of newcomers and returning residents (i.e. returnees) via a government housing renewal policy to assist the return of original residents. More of its development process will be covered in chapter 7. The discrepancy in the socio-economic attributes between the returnees and newcomers means that XFKL is a uniquely 'mixed' estate, which also has not been explored in existing studies. Lastly, the high-income housing estates are represented by two upmarket, gated housing developments - City Castle (CC) and International Landoll City (ILC). Existing studies of luxury gated estates in China, whether in the suburban context (Wu, 2005, 2006; Y. Huang, 2006), or in the central city context (Tian and Wong, 2007) have not yet carried out a detailed analysis on the socio-economic attributes of these residents. Both estates included here are among the most expensive housing developments in central Shanghai and thus should contain some of the wealthiest residents in the city.

Due to the social diversity contained in Shimen neighbourhood, this exploration will contribute a more nuanced view of housing estates in central Shanghai. It aims to reveal in greater detail the range of physical, demographic and socio-economic differences which constitute newly emerged mixed neighbourhoods since the 1990s. Moreover, these explorations will provide the contextual background to each of the housing estates in question, before the in-depth investigations into their respective living conditions, residents' intra-estate social dynamics, and processes and mechanisms of development are explored in chapters 6 to 8.

This chapter is organised into 5 sections. After this introduction, section 2 will

summarise the neighbourhood context. It will review the context of the district, the street office area and finally the neighbourhood itself. Section 3 will describe the neighbourhood before redevelopment started in 1997, when the first of the estates became renewed. It will report the physical and socio-economic conditions of residents based on their recollections. Section 4 will examine the present physical and socio-economic conditions of the residents in the newly emerged mixed neighbourhood. Section 5 will summarise the main findings.

5.2 The neighbourhood context

5.2.1 Jing'an district

Surrounded by six districts, Jing'an district is situated in the centre of downtown Shanghai. It is the only district in the city that sits entirely within the boundary of the inner ring road. It covers an area of 7.62 km², which contains 7.57 km² of land area and 0.05 km² of water area. At the end of 2007, there are 309.8 thousand registered permanent residents in Jing'an district. The natural increase in population was -681 with the rate of -2.2 per cent, and it has a density of population of 40,800 per km².

Since the 1990s, Jing'an district has become well known in Shanghai as one of the most aggressive local authorities in terms of slum clearance ('*weipeng*' and 'basic housing'). In 1991, the district targeted 34 slum clearance sites covering a total of 79.3 hectares. Within these areas were about 250,000 m² of the most decrepit shanty (*pengwu*) and informal housing. Between 1992 and 1994, 32 plots of land were leased and 373,000 m² of old housing was demolished. Redevelopment was largely completed through two simultaneous mechanisms - firstly as part of municipal infrastructure projects, where old housing made way for major civic roadways, and secondly through land-leasing for property development. In the period 1990-1995, Jing'an gained 823,000 m² of new housing space (Editorial Board of Jing'an Almanac, 1999-2003).

According to the Detail Control Plan of Jing'an district of 1995, the district would

focus on the development of its modern tertiary sectors, with commerce, business services and real estate as key components. The goal for the 9th five-year plan period (1996-2000) was to turn Jing'an into an economically thriving district boasting comprehensive amenities, attractive environment and offering high standards of living. Redevelopment would be pushed forth along major roads and in areas of concentrated slum housing. In terms of land use, emphasis would be placed on expanding commercial and office functions and restricting manufacturing land use. For example, 290 million yuan was invested in expanding the district's retail and commercial centre on Nanjing West Road. By 2000, it was intended that the overall commercial land areas were to be increased by 170 hectares (and to reach 30% of total), residential uses would be slightly decreased by 150 hectares (to 24%), and industrial land would be reduced by 40 hectares and represent only 4 per cent of total land use.

In 1995, Jing'an district government was proactive in committing itself to becoming the first urban district in Shanghai to eliminate all the designated slum areas in the 365-programme by the end of 1996, and to raise the per capita housing space to 10 m². By this time however, 39 hectares of the earlier designated slum clearance sites were yet to be demolished. To achieve this ambitious target, which would involve the clearance of 430,000 m² of old dilapidated housing and the relocation of another 12,000 households, the district authorities established a 20 million yuan redevelopment fund to subsidise private investment, set up a district housing renewal command office to steer the progress of slum clearance, and commanded district-government affiliated real estate companies to take on redevelopment projects. It also made available numerous preferential policies to attract private investment, including reductions in various development related fees as mentioned in the previous chapter. With substantial administrative support for redevelopment, by December 1996 all the designated slum clearance sites had been redeveloped, mostly as new high-rise residential developments. In 1997, the district government further expended 60 million yuan to carry out the renewal of various isolated decrepit buildings still remaining in the district. Within these, 140 households were relocated alongside demolition, and extensive repairs were

carried out for 289 households (Editorial Board of Jing'an Almanac, 1999-2003).

Development of the district has since followed a clear spatial strategy, with five clear development sub-areas identified:

1. The central area represented by Nanjing West Road, was designated as the commercial and business centre. The district aims to turn this sub-area into an internationally oriented node offering integrated business, sightseeing, shopping, catering, entertainment and leisure. The mission for this area is to "guide consumption... and make Jing'an district a gathering place for popular international brands and new types of services."
2. The Southern area was designated as a middle- and high-income residential and business area. This area contained 2/3 of the district's high quality historic villas and new-style *lilong* housing, with recognised heritage value. These would be conserved and complemented with some new developments such as hotels, apartments and commercial office buildings.
3. The North-western area was designated as a district-level commercial centre, focusing on the clustering of a range of mid-range commercial outlets, supermarkets, wholesalers, and leisure and entertainment facilities. A certain amount of new high-rise residential developments were also envisioned.
4. The North-eastern area was designated as a business services sub-centre, intended to accommodate a range of office developments, as well as extending Northwards with more emphasis on tourism and consumption.
5. The Northern-middle area, where Shimen neighbourhood is located, was to be developed into a modern middle-income residential area. Existing industrial uses would be replaced by high-rise residential developments. This community would be complemented by some public and commercial facilities.

From 1997, the district government had also turned its attention to upgrading or redeveloping what remained of the district's stock of old-style *lilong* housing - most of which dated from the 1910s and suffered chronic physical dilapidation, crowding and lack of indoor sanitation or plumbing. Between 1998 and 2002, the district completed between 50,000-70,000 m² of renewal under the HAFI programme and in 1999 began the first small scale experiments for Flat-to-Pitched roof renewal (PGP programme). Although nominally HAFI was intended as a rehabilitation programme, most projects implemented involved redevelopment and the production of modern multi-storey apartments. Large scale examples of HAFI include the renewal of Xing Fukangli from 1998-2001 (see chapter 7), which affected 1,500 households and redeveloped a site of around 4 hectares, and the renewal of the "55th block", which affected about 1,000 households on a 6.6 hectare site (see chapter 8) (Editorial Board of Jing'an Almanac, 1999-2003).

From 1999, the district has continued to develop with the principle of turning itself into a high-end commercial area and high-quality residential area ('two highs'). The stated foci of Jing'an district's development in the 11th Five-year Period (2006-2010), stated that "we should... build an industrial system that has the modern service industry as the core part... Such a system should consist of commerce, logistics, professional services, real estate, hotels, exhibition, tourism, and educational and cultural services." ¹⁰²

For the period 2006-2010, Jing'an District would pursue four key socio-economic development priorities. Firstly, with the section of Nanjing Road in Jingan District as the core, the district aimed to shape this sub-area into an international business area that has complete supporting facilities and well-developed functions integrating business, sightseeing, shopping, catering, entertainment and leisure. The purpose was to "guide consumption, innovatively expand the wholesale industry and make Jing'an district a gathering place for popular international brands and new types of services." Secondly, the

¹⁰²http://www.jingan.gov.cn:7001/pi/200610/t20061018_465429.htm#_3, retrieved on 27 March 2010

government aimed to quicken the development of the modern service industry to boost the district's economy. It would make an overall plan for the layout of office buildings, shopping malls, hotels, parking lots, cultural and entertainment facilities and apartment buildings and "form a Mecca for such international services industries [such] as advertising, accounting, design, law, investment consulting and information service." This was intended to "highlight the leading position and important role of the advantage industries of Jing'an district in... Shanghai." Complementing this, the district aimed to "make full use of the rich contents of... the diversified business models, the large exhibition facilities and the urban tourist resources..." to make Jing'an a popular, globally-oriented cultural and fashion centre.

Linked to all of these was the fourth key goal of fostering the development of its residential quarters into modern urban residential areas: "We will take advantage of the superb business environment, well-developed supporting facilities, and community management and services, [to] accommodate and absorb people of different cultural backgrounds, [to] promote the integration and mutual development of foreign and local, modern and traditional cultures, [so as to] forge a human-centred living space... and bring into shape an urban residential area with composite functions, diversified life styles and [an] exquisite environment."

The planning principles were to "respond to the demands of the market" and to steadily carry forth the renewal of old neighbourhoods through real estate development. Apart from producing a portion of commercial housing, there was clear emphasis on adding to and complementing the existing stock of municipal, public, cultural and sporting facilities in the district. This was to ensure that citizens' living conditions could be improved while the district could enlarge its measure to enhance its economic position and modernise its facilities. Since 2006, to complement the progress of urban renewal and relocation, the government planned to monitor the provision of relocation housing and affordable housing construction (both for sale and rental).

The Jing'an District Plan (<http://www.jingan.gov.cn:7001/>) specified a strategy of “conserving the South and modifying the North”. For the Northern part of the district (North of Beijing Road, which sits directly parallel to Nanjing Road, and containing the area of Shimen neighbourhood) urban redevelopment has remained the key focus. As of 2006, the district regarded that about 1.2 million m² of old housing still needed to undergo demolition. The objective for the period 2006-2010 was to carry out five to eight new large-scale residential developments under the criteria of high quality modern design, high construction standards and possessing comprehensive complementary facilities.

The Southern half of the district (South of Beijing Road) in contrast was designated as a key focus for conservation, which comprised some 1.3 million m² of good quality historic villas and new-style *lilong* housing. It was regarded as “a key component of inner-city Shanghai's high quality residential environment, which possesses a rich historical cultural character”. Thus there was particular attention to holistically conserving and revitalising the historical buildings in this sub-area in order to “demonstrate the rich traditional cultural foundations underpinning the modern development of Jing'an and Shanghai”.

Apart from the marketing of high-end housing, there was particular emphasis on the development of new commercial office buildings to attract the in-migration of large companies and institutions to the district. This was seen as essential for the economic development prospects for Jing'an. Overall, the district government expected, via a combination of selective conservation and large scale redevelopment, a total of 2.07 million m² of new construction should be completed by 2010. This should entail 1.30 million m² of new residential floor space, and 770,000 m² of commercial office.¹⁰³

5.2.2 Shimen'er Road street office area

Shimen neighbourhood is located in Shimen'er Rd street office area, which is a

¹⁰³ <http://www.jingan.gov.cn/zthd/sywggh/> retrieved on 10 March 2010

mixed-use area situated on the North-east quadrant of Jing'an district.¹⁰⁴ With a total area of 1.09 km² and a population of 58,700 in 2007 (19,300 households), it accounted for about 18 per cent of the district's population. Adjoining the commercial heart of the district - Nanjing Road (to the South), Shimen'er Road area boasts a vibrant mix of commercial services and excellent transport connections. As part of the old International Concession, the area has a rich legacy of older residential architecture including large quantities of old-style *shikumen* and new-style *lilong* housing, and several listed Outstanding Historic Buildings.¹⁰⁵

According to the Jing'an district's 11th five year plan, the overall goal for the development of Shimen'er Road Area was to turn it into a "new modern community" with comprehensive amenities, community functions and an attractive environment by 2020. This objective was to fit within the broader 'two-pronged' framework of the district to become a high-end commercial area and high-quality residential area. In terms of physical development, there was considerable emphasis on enhancing the standards of living. Key dimensions emphasised within the area's development objectives were:

- a) Developing a comfortable living environment, with comprehensive municipal, working, shopping, leisure, entertainment and tourist facilities.
- b) A "safe and orderly environment" with low crime rates and social order.
- c) A "convenient service environment" - providing professional services in realms such as healthcare, investment, leisure and recreation.
- d) A "colourful cultural environment" which possessed a community culture, which supported a harmonious fusion of different existing cultures, and which provided for the spiritual needs of all the residents.

More specifically, the sub-area directly adjoining the Nanjing Road commercial centre was to be developed with an emphasis on commercial facilities and services. The area to the North of Beijing Road and East of Shimen'er Road

¹⁰⁴ In China, the Street Office area is the lowest administrative level of the local government. Jing'an district has 5 separate street office areas.

¹⁰⁵ <http://www.jingan.gov.cn/zthd/sywgh/> retrieved on 10 March 2010

was to become a large-scale entertainment centre boasting large scale public recreational facilities. The area to the North of Beijing Road and West of Shimen'er Road (where Shimen neighbourhood is located) was planned as a high-quality residential area, which would become Shanghai's largest inner-city residential area South of the Suzhou River. This area was recognised to offer unparalleled residential attraction due to its well connected location, the comprehensiveness of nearby commercial services and rich cultural legacies. In this sub-area, up to 2005, the district has completed various 'city beautification' schemes including roof-landscaping projects covering 5,200 m² and the rehabilitation of 1,844 socialist era workers' apartments through the flat-to-pitched roof conversion (PGP programme). In terms of large scale housing redevelopment, it has carried out the 100,000 m² Xing Fukangli project (1998-2001) and the upmarket International Ladoll City (2000-2003) (see chapter 7).

Paralleling urban redevelopment, the street area has been experiencing a depopulation of residents. The fifth Population Census of Shanghai in 2000 recorded a 40 per cent reduction of population here since 1990.¹⁰⁶ The main reasons for the reduction were due to a) population relocation due to redevelopment, b) low natural birth rates and c) low in-migration of new residents. Consequently, the population density of the area has been reduced from 94,035 persons per km² in 1990 to 56,475 persons per km² in 2002 (40% reduction) (K. Li, 2003). This figure still significantly exceeds the city's average of 2,640 persons per km², and represented a dense residential area. However the number of foreign residents in the area is on the rise. In 2000, the area recorded 8,365 foreign-origin residents, which represented 18 per cent of the district's population (K. Li, 2003). Despite redevelopment, the area still largely retains the social characteristics of Shanghai's old inner-city districts as significant proportions of the population were old, unemployed and lowly educated.¹⁰⁷

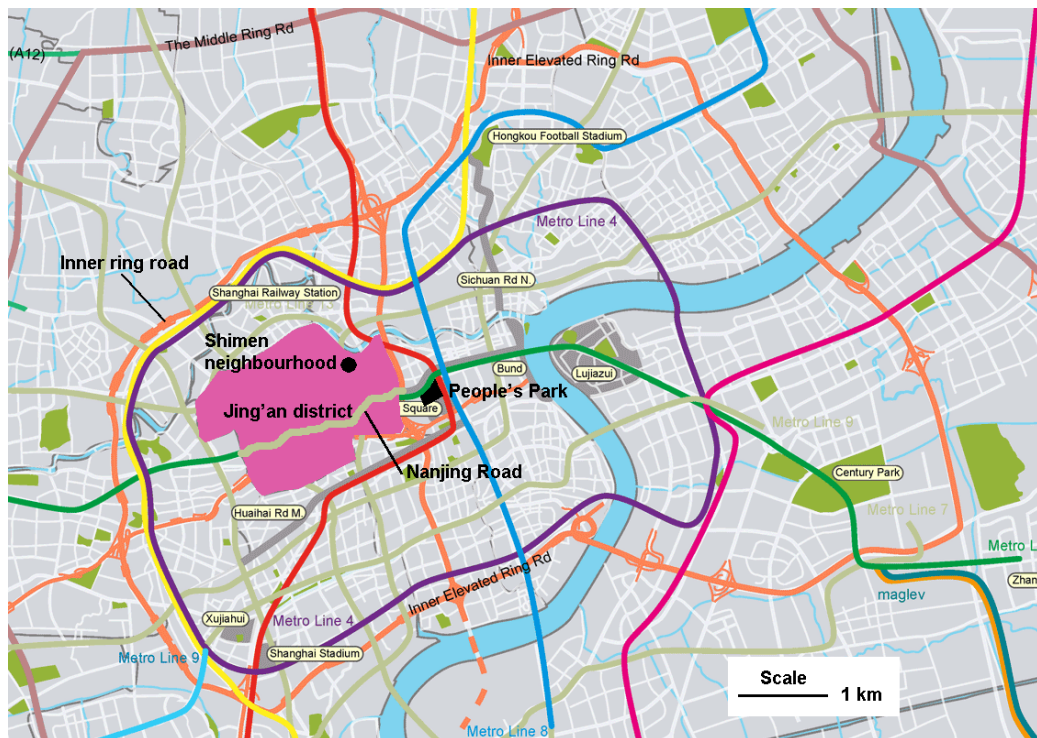
¹⁰⁶ In 2000, the street area's permanent population was 61,558

¹⁰⁷ For example, 19.7 per cent of the population was above 80 years old; 63.2 per cent were labourers (which reflected the concentration of state workers employed by work-units and SOE's); 18.8 per cent were unemployed; and only 15.3 per cent of residents possessed an education attainment above the technical college level (K. Li, 2003). According to United Nations report on "Social Economic Impacts of the Aging Population", a population is addressed as an aged population when over 7 per cent of the

5.2.3 Shimen neighbourhood

Shimen neighbourhood is situated approximately 1 km North West of People's Park, which is considered as Shanghai's epicentre (Figure 5-1). The case study area covers four urban blocks, which are bordered by Wuding Rd and Kangding Dong Rd to the North, Shimen'er Rd to the East, Beijing Rd to the South, and Canghua Rd to the West. The neighbourhood is well serviced by public amenities. Within 15 minutes walk southward is Nanjing Road, one of Shanghai's two most famous shopping streets which are filled with upmarket shops, international hotels, commercial offices and a subway station. There are also good school facilities in the street area including a nursery, kindergarten, primary schools and junior high schools. The street area also contained many corners stores, mini-supermarkets, and branches of banks and a local post office. Within Jing'an district, there is also a foreign language school, a senior high school and a general hospital.

Figure 5- 1 Location of Shimen neighbourhood in central Shanghai



population is over 65 years old (see K. Li, 2003). Shimen Area greatly exceeded this threshold. Likewise, Shanghai's average population above 80 years old is 11.5 per cent, which also exceeds this threshold.

5.3 Shimen neighbourhood in the past

Prior to redevelopment that began in 1997, Shimen neighbourhood contained predominantly *shikumen lilong* houses built around the turn of the century (Figure 5-2). From the old aerial photo below we can discern their distinctive maroon roof-tops and the fine grained texture of regimentally arrayed houses along narrow alleyways (Zhao, 2004). Each of the four street blocks of the neighbourhood contained a large *shikumen* estate, including Hengfeng Xiaoqu (HFXQ), Fukangli (FKL), Zhangjiazai (ZJZ), and Hongqingli (HQL).

Figure 5- 2 Aerial photo of the neighbourhood from May 2000



Source: Google Earth capture by the author on 13 August 2008

In 1997, houses in the neighbourhood were in dilapidated conditions as evident in figures 5-3 and 5-4. According to longstanding residents from Shimen neighbourhood, their dwellings had not been refurbished for a long time. There

had been some small scale in-fill development of workers' apartments during the 1960s and 70s by some work-units along Taixing Rd in HFXQ estate. But the neighbourhood had largely remained dominated by old-style *lilong* houses and pre-1940s apartments until 1997. According to a resident:

"There were some (new construction in the 1960s and 70s), but only in small scale. Some Gong Fang (workers' apartments) of five storeys are just in front over there (point to HFXQ, a row of worker's apartments alone Taixing Rd). At the time, it (the development) was mostly for residential purposes...it was orientated toward living (yi juzhu weizhu)... all we cared for was for more people to have a place to live. The structure was very bad" (Man sitting by the fruit shop in Hongqingli, 24 July 2007)

Since HFXQ has not yet been developed in 2008, its conditions will be explored in the next section which concentrates on the 2007/08 condition of the neighbourhood. For now this section will address the pre-1997 conditions of the remaining three estates. FKL used to contain 48,000 m² of old-style *shikumen lilong* houses built in 1927, which accommodated 1,504 families and 4,322 residents (Tian and Wong, 2007). According to the returnees (i.e. original residents who had moved back after redevelopment), there were no privatised sanitary facilities in dwellings. Households had to share kitchens, toilets, and residents either took baths in nearby public baths or simply used the public taps in the estate's alleyways. The shortage of living space was also very severe. According to a retired secretary of its RC, the past physical conditions of FKL were similar to the current (2008) conditions of HFXQ, which will be explored further in the following section and in chapter 6. Figure 5-3 shows the physical conditions of the *shikumen lilong* houses in FKL. Seeing clockwise from top left, we can see the estate viewed from the street; a view of the *shikumen* houses in one of its narrow lanes; a resident tipping chamber pots; and a view of the estate's main alleyway decorated with residents' washings hanging from long poles positioned between buildings.

Figure 5- 3 Images of FKL



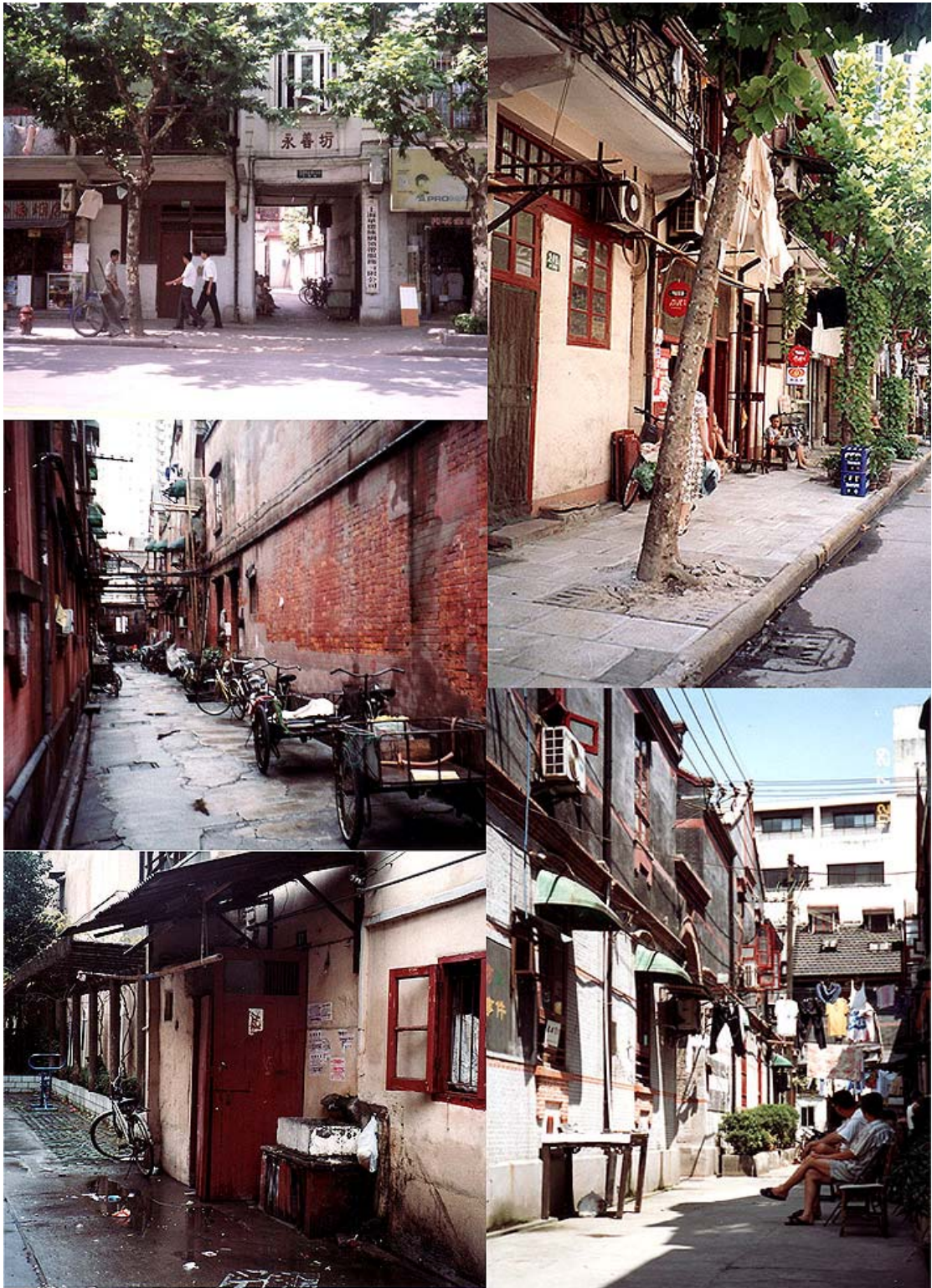
Source: photos displayed in XFKL, taken by the author

Across the road to the South was Zhangjiazai (ZJZ), which consisted of old *lilong* houses and four garden villas located at its Southeastern corner.

Residents here had very similar living conditions to those in FKL (Tian and Wong, 2007). Unfortunately no photos of ZJZ could be obtained. To the west of FKL was Hongqingli (HQL), which contained several *lilong* estates similar to FKL and HFXQ. According to longstanding residents and members of its RC, this estate contained some extraordinary examples of large *shikumen* houses that were 3-bays across as opposed to the usual 2-bay model. These grand houses, built at the turn of the century, had high ceilings and spacious layouts e.g. living rooms at 30 m² and kitchens at 20-30 m², with two ancillary wings of rooms on either side of the central courtyard. However these houses were not equipped with toilets.¹⁰⁸ Figure 5-4 shows the dilapidated houses in HQL. Seeing clock-wise from top left, we can see shops lining the periphery of the estate, which sold a wide variety of goods to service residents' daily lives (e.g. fruits, cigarettes and under garments); another view of the estate seen from the street; a view of the internal lane and residents resting in the public area; a view of the dilapidated house and a basic external basin; and a view of the tricycles, which residents used for work.

¹⁰⁸ Some residents revealed that a famous period drama on TV was even shot in this estate for its architectural features.

Figure 5- 4 Images of Hongqingli



Source: Hua Xing Resident Committee

Due to poor maintenance over the years, houses in the neighbourhood were all in dilapidated conditions by 1997. A shortage of living space was widespread as

multiple families had been allocated into houses which were originally designed for the occupation of a single family. The physical conditions of these estates were very similar to the conditions of HFXQ in 2007/8, which will be illustrated in chapter 6. A longstanding resident from HQL, who was soon to be relocated due to redevelopment, described her living conditions in a *shikumen* house:

“Each house contains many households. Like one of these will contain 3 to 4 households. Houses are all very small. Some families have only 7 m². That’s very small. Don’t you think so? ... After you put a bed, some furniture.... You have no room left for walking! That’s why their (neighbour’s) child always does his homework out here (in the alleyway). He takes a small stool and does his homework...Some others have only 10m². That’s very small right? Like my house, it’s alright. It has 50 m². 50m² for 5 people... we don’t have a toilet, but we have a kitchen. For kitchen we place a small gas cooker. It’s very small and only takes up little space. We don’t have a toilet. Every morning we have to empty our bedpans.” (A woman from HQL, 2 July 2007)

Tenure in the neighbourhood was predominantly state rental housing. Although there were also some private ownership and second landlords, who rented out their state housing to migrant workers operating the street side shops (Personal interview with Mrs Shen, resident committee of HQL, 18 Dec, 2007). According to one resident:

“Some (dwellings) are allocated by danwei (work-unit), some are rental, and they rent from government’s housing stock. Some of them, their parents lived here. My husband lives here with his parents, and when I got married, I moved to here. So (we’re) not allocated by danwei... Some people buy a house over here. And some are born in here. Most people are born in this neighbourhood.” (A woman from HQL, 2 July 2007)

The socio-economic status of residents in the neighbourhood was rather homogenous. There was a range of professions among residents, but the majority appear to be state workers in the low-income range. According to a

longstanding resident:

"... all are gong ren (state workers), in general. I would say that more than 60 per cent of the people are workers. This area contains mainly middle- to lower-level residents...they work in the government's industries... it's a mix from all sorts of danwei. (Longstanding resident by fruit shop of HQL, 24 July 2007)

Another resident added: *"Some (people) work as hair dressers, some work in factories, some buy stocks, some are retired from public services (xia gang)"* (a woman from HQL, 2 July 2007)

This is backed up by the interview with the secretary of the RC of HQL, who agreed that the majority of residents worked for a range of work-units but their socio-economic profiles were similar to the residents in adjacent estates (Personal interview, 9 January 2008).¹⁰⁹

In terms of social interaction, there appeared to be high levels of social interaction among residents in the neighbourhood. According several residents, they not only interacted frequently with residents from their own estate, but also interacted with residents from adjacent estates. The social ties among residents could be said to be strong. The sharing of toilets and kitchens in the *lilong* estates did create some conflicts and arguments among residents, but residents believed that they have developed strong bonds with each other. According to one resident, neighbours often exchanged or borrowed ingredients during cooking or swap dishes to spice up meal times (Personal interview with Mrs Zhuang from HFXQ, 9 Jan 2008). During the Chinese New Year, the entire neighbourhood would be buzzing with activities and neighbours would often celebrate together in the alleyways. This can be illustrated by a conversation with a longstanding resident from HQL:

Resident: "In the past, people living in the *shikumen* district were very close,

¹⁰⁹ This was also supported by interviews with other longstanding residents and members of other RC's in Shimen neighbourhood.

because we share the cooking stove.”

Author: “So despite the big street bisecting the estates, the people knew each other well?”

Resident: “yes, very, very well.”

This convivial environment is echoed by another resident:

“... we (residents) chat often... Whenever we have time, we all come out to chat.” (A woman from HQL, 2nd July 2007)

Moreover, according to Mrs Huang, an ex-resident from ZJZ, there used to be a traditional market located in the South-western corner of FKL, which was widely used by residents in the neighbourhood. Whilst residents shopped, they would often chat to each other so that many residents knew each other even though they were living in different estates (Personal interview with Mrs Huang in HFXQ, 17 July 2009).

Children in the neighbourhood also had strong interactions. According to residents, because of the school catchment area, most children in the neighbourhood went to the same schools and knew each other. The neighbourhood was their playground, stretching across several surrounding estates. According to another resident:

“Basically, we knew all the children in our own age group. I have friends from all the surrounding estates. We would play from morning till night in the alleyways, often hopping from door to door.” (Personal interview with Mr Zhu from HFXQ, 10 Jan 2008)

Another resident said that there used to be many children in the neighbourhood. They would play together and run around in the neighbourhood, calling out for their friends and greet the aunties and uncles as they run past because many

people knew them (Man by the fruit shop of HQL, 24 July 2007).

5.4 Shimen neighbourhood now

By 2007, three of the four street blocks in Shimen neighbourhood had been redeveloped, and it now contains 5 separate estates (Figure 5-5). Between 1998 and 2001, Fukangli was developed into Xing Fukangli (XFKL), which means 'new' FKL. It became a middle price range housing estate. Across the road, Zhangjiazai was developed into International Landoll City (ILC), an upmarket gated estate, between 2000 and 2003. Lastly, Hongqingli was developed into City Castle estate (CC), another upmarket gated estate. CC was developed in two phases. The first was developed between 2003 and 2006. Phase two is still under construction at the time of writing the thesis. This is scheduled for completion in late 2010. During its development, one of the original estates on its site- Zhonghua Xingcun (ZHXC) - had been preserved (see chapter 6 for more details about its retention process). ZHXC contains 80 dwellings in the form of terraces built in the 1920s, and it has retained the original social and physical characters of the estate in 2007/08. Lastly, Hengfeng Xiaoqu (HFXQ) had yet to be redeveloped. Thus it also retains the physical and social characteristics of the old *shikumen* estate in 2007/08. These two original estates will act as controls during comparisons in the following sections to illustrate the physical and socio-economic changes brought to the neighbourhood by housing redevelopment. Explorations of the five disparate estates will enhance our understanding of the internal anatomy of a mixed neighbourhood in central Shanghai.

Figure 5- 5 The 5 residential estates in Shimen neighbourhood in 2009



Source: Google Earth capture by the author on 10 Feb 2010

5.4.1 Physical attributes of housing estates

In 2007, HFXQ has remained a traditional housing estate. Architecturally, it contains predominantly *shikumen* houses of two to three storeys built around 1900. The estate also contains some old terraced apartment blocks of four to five storeys built in the 1920s, and some workers' apartments of six storeys built in the 1970s. The estate has approximately 1,500 households. Public facilities in the estate are basic. A few trees along the main alleys represented the main greenery, and the alleyways represented the main public spaces for residents to hang out. A corner on the main alleyway contains some basic exercise equipments. The estate has no car-parking. The estate security is weak. Only one of its entries is manned by a guard, but visitors have open access into and out of the estate. Due to years of under maintenance, the houses are dilapidated. Figure 5-6 shows the dwellings in HFXQ. The top shows a *shikumen* house, and the bottom shows the 1920s terrace on the right, and *shikumen* houses on the left.

Figure 5- 6 Dwellings in HFXQ



Source: author

ZHXC is an old estate preserved during the redevelopment of upmarket CC estate. It contains 44 dwelling units in the form of terraces built in the 1920s. According to interviews with longstanding residents, ZHXC was one of the best residential developments at its time. Each unit had already been equipped with internal toilets, bathrooms, a kitchen, as well as gas heating when it was developed. In 2007, it contains 80 households. The estate has no specifically designed public facilities. The internal lanes provide the only public spaces for

residents to hang out, and the lanes also provide some car-parking. Due to years of under maintenance, the dwellings are also dilapidated. Figure 5-7 shows the external conditions of these dwellings.

Figure 5- 7 Dwellings in ZHXC



Source: author

XFKL is a new middle-price range commodity housing estate. The estate occupies an area of 38,000 m², and has a gross floor area of 11,000 m². It contains roughly 1,000 households. Architecturally, it contains two high-rise

apartments, 16 multi-storey apartments, six terraced apartment blocks and several upmarket mock *shikumen* villas, which are fenced off from the rest of the estate. As a new development, much attention has been placed on its public facilities. About 26 per cent of the estate area was left for greening and open spaces, which leaves ample public spaces for residents to relax and mingle. The estate is also equipped with an activity room for the elderly, a medical room, a tea room, a fish pond, a computer training room, and 8,000 m² of exercise areas with exercising equipments. Although it is a gated development, the control of access is weak. Both of its gates were manned by guards, but visitors have open access into and out of the estate. Figure 5-8 shows the external conditions of the dwellings. On the top image, we can see the multi-rise commodity-type apartments, and the bottom shows the returnee-type apartments lined by narrow alleyways aligned by vegetation.

Figure 5- 8 Dwellings in XFKL



Source: author

ILC is a new upmarket, gated estate. In 2007, it possessed one of the highest house prices in Shanghai. The estate occupies an area of 64,800 m², and has a gross floor area of 270,000 m², of which 180,000 m² are housing. It contains roughly 1,100 households. Architecturally, it contains 18 high-rise apartment towers between 19 to 35 storeys. As a development targeting the high-income clientele, the estate is equipped with great public facilities. The towers are set

amongst a number of lush gardens, which occupy about 40 per cent of the estate's land area. The gardens are decorated with scenic ponds and pergolas for residents to relax. It also has a 3,400 m² club house and a gym, tennis court, swimming pool, and ample car-parking. Security measures in ILC are extremely tight with guards posted at both entrances 24-hrs a day, who constantly patrol the compound. Figure 5-9 shows the external conditions of the estate. On the top we see the grand front entrance with a 24hr security presence, and the bottom shows the high-rise residential towers surrounded by lush internal landscaping.

Figure 5- 9 Dwellings in ILC



Source: author

CC is also an upmarket, gated estate, and one of the most expensive residential developments in Shanghai. The estate occupies an area of 35,000 m², and has a gross floor area of 100,000 m², of which 85,000 m² are housing. In 2007, about 100 households were living in CC. Phase 1 of the development contained 4 twenty-storey high-rise apartment towers. Great attention has been placed on its public facilities. These include a 1,500 m² green strip along the front entrance and numerous smaller scenic gardens dotted around the

compound, which represent approximately 30 per cent of the land area. Moreover, it contains a 3,000 m² club house that housed a swimming pool, sauna, snooker room, table tennis room, gym, playpen, and a conference hall. Figure 5-10 shows the external conditions of the estate. The top image shows the high-rise residential towers (with the phase 2 of development in the foreground); and the bottom shows the internal landscaping inside the compound.

Figure 5- 10 Dwellings in CC



Source: author

The contrasting physical attributes of the five estates are summarised in Table 5-1:

Table 5- 1 Comparison of estates' attributes

	HFXQ	ZHXC	XFKL	ILC	CC
Estate type	Old traditional	Old traditional	New mid- price	New upmarket	New upmarket
Construction	1900s,1920s and 1970s	1920s	1998- 2001	2000- 2003	2003-2006 Phase 2: 2006-2010
Land use area	-	-	38,000 m ²	64,800 m ²	35,000 m ²
Built-up area (housing)	-	-	109,000 m ²	270,000 m ² (180,000 m ²)	100,000 m ² (85,000 m ²)
Greening (% of land area)	-	-	26	40	30
No. of households	1,500	80	1,000	1,100	292 (392 when phase 2 completes)
Architectural styles	1900s <i>Shikumen</i> houses (2-3 storeys), 1920s apartments (4-5 storeys) & 1970s workers' apartments (6 storeys)	1920s terraced apartments (4 storeys)	Multi-level apartment blocks (4-7 storey), & 2 high-rise towers (28-storeys)	High-rise towers (19-35 storeys)	High-rise towers (20 stories). Phase 2 will contain mid-rise towers (10 storeys) and garden villas (3 storeys)
Estate facilities	Alleyways as public space, few vegetation, no parking, few basic exercise facilities	Alleyways as public space, few vegetation, no exercise facilities, some parking	Communal activity areas, exercise facilities, activity rooms, fish pond, car-park	Gardens & ponds, pergolas, club house, gym, tennis court, swimming pool, car-park	Gardens, club house, gym, swimming pool, conference room, billiard & table tennis room, car-park
Security	Weak. Unmanned entries & open access	Weak. Manned entry but open access	Weak. Manned at both entries but open access	Strong. 24 hr security controlled at both entries	Strong. 24 hr security controlled at both entries

5.4.2 Residents' socio-economic attributes

Residents' demography

The demographic structure of the five estates is shown in Table 5-2. The household heads in new estates are younger than their counterparts in old estates. Respondents in CC are the youngest, who are predominantly between 26 and 45 years old, with a mean age of 45. The respondents in ILC and XFKL are predominantly between 46 and 60 years old, with mean ages of 57 and 56 respectively. Respondents in old estates HFXQ and ZHXC are predominantly older than 61 years old, with mean ages of 61 and 66 respectively. Regarding marital status, respondents from all the estates are predominantly married. ILC has a slightly higher proportion of singletons compared to others, while XFKL, HFXQ and ZHXC have a slightly higher proportion of divorcees and widows. A

great discrepancy can be found between residents' length of residence. The average length of residence for residents in new estates is less than a decade, which coincides with the completion dates of each respective development. On the other hand, residents in old estates have on average lived in their estate for more than four decades. Regarding household registration (*hukou*), the majority of residents in CC have their *hukou* registered in Hong Kong, Macao or Taiwan, while the majorities in the remaining estates have a Shanghai *hukou*. About 58 per cent of respondents in CC have a Taiwanese *hukou*, representing a regional enclave of Taiwanese migrants. The proportion of foreigners in ILC has been under-sampled in this survey. According to the housing management company of ILC, roughly 30 to 40 per cent of its residents are foreigners (personal interview with manager Mrs Yang, 30 June 2008). However, due to the difficulty in soliciting participation from residents in its commodity dwellings (where most foreigners live), their proportion has been significantly underrepresented in this sample.¹¹⁰ Overall, the upmarket estates in the neighbourhood contain high proportions of foreigners, while the mid-price estate and old estates have a predominance of Shanghai residents. Interviews with residents in HFXQ also suggested a large proportion of Chinese migrant workers living in the estate. However, this was also not reflected in the sample probably due to their weak ties with the resident committee members who distributed the questionnaires, or because they were absent from home during the surveying process.

¹¹⁰ Because the RC has very weak ties with residents in commodity dwellings in ILC, it failed to collect any surveys from this group during the first survey attempt in 2007. The second round of the survey in 2008 used the HMC and an estate agent to specifically target commodity residents. However, since the HMC did not want to disturb their clients, it only approached the households who had closer ties with their staff members. These households, judging from the data, were mainly Chinese households. This was plausible since many staff of the HMC did not speak English, so they could not have communicated well with foreign residents. The estate agent, on the other hand, only distributed surveys to owners who had previously bought a dwelling from him. Judging from the survey results, they were also mostly Chinese families.

Table 5- 2 Residents' demography

Estate type	New luxury		New mid-price	Old Traditional	
Estate name	CC	ILC	XFKL	HFXQ	ZHXC
Age (%)					
Below 25	0.0	0.0	1.4	2.4	0.0
26-45	58.1	20.0	18.4	11.1	0.0
46-60	34.8	46.9	43.1	34.6	31.4
61 and above	7.0	33.5	37.1	50.7	69.1
Mean	45.2	57.0	56.1	61.2	66.3
Marital status (%)					
Single	4.7	23.1	5.7	6.0	0.0
Married	95.3	72.3	81.4	83.5	87.5
Divorced/widowed	0.0	4.6	12.9	10.5	12.5
Average length of residence (years)	1.1	2.5	6.0	42.3	46.0
Household registration status (hukou) (%)					
Shanghai	16.3	91.6	92.0	99.4	100.0
Other urban/rural in China	7.0	0.0	3.4	0.0	0.0
H.K, Taiwan & Macao	° 74.4	5.6	0.0	0.6	0.0
Other countries	2.3	2.8	4.6	0.0	0.0

° 58.1% from Taiwan

Although the surveys showed little presence of migrants in the old estates, responses from residents suggested otherwise (Table 5-3). In HFXQ, a majority of respondents (58%) thought there were a lot of *waidi* (foreign origin) inhabitants, while another 40 per cent thought that there were some. ZHXC appears to have fewer migrants as the vast majority reported that there are some. This is very much backed up by several interviews with residents in both estates.

Table 5- 3 Presence of migrants

Estate	Block 2 HFXQ	Block 5 ZHXC
Are there many residents from outer provinces in your estate? (%)		
Yes, a lot	58.2	26.7
Yes, there are some	40.4	73.3
No, only a few	1.4	0.0
There are none	0.0	0.0

Education and employment

The education and employment structures of the five estates are shown in Table 5-4. The education attainment of residents in upmarket estates is considerably higher than residents in other estates. Residents of CC and ILC predominantly possess high education attainment with university or post-graduate degrees. On

the other hand, most residents in XFKL, HFXQ and ZHXC possess medium education attainment of high school or technical college degrees. Old estates HFXQ and ZHXC contain the highest proportions of residents with low education attainment of below junior high school training (41% and 21% respectively).

Interestingly, ZHXC also contains a significant proportion of highly educated residents (37%). This is possibly related to the particular profiles of residents in ZHXC. According to interviews with several longstanding residents, the estate contained many wealthy households prior to 1949, and residents who held the positions of (or related to) high-ranking party cadres since 1949 (personal interviews, 11 Jan 2008). Referring back to the age data, about 70 per cent of its respondents are over 61 years of age, meaning that many of them would have been educated prior to the socialist regime. Prior to 1949 (beginning of the socialist regime), only the wealthy households could afford dwellings in this prized estate. It is possible that these households were able to pay considerably more emphasis on their children's education, and were more financially equipped to support their offspring to achieve higher education. For the remaining 30 per cent or so of the respondents are aged between 46 and 60. These residents would have been educated under the socialist regime. Their education could have been assisted by the position of their parents' relatively high job positions as high-ranking party cadres. This is in line with the finding of Lin and Bian (1991), who reported that during the pre-reform period when urban housing was allocated by work-units and SOEs, if the head of a household was related to a high-level work-unit or SOE, the offspring have had a better chance of attending better quality schools. This is because a key criterion for good residential areas was the presence of good schools, and powerful work-unit and SOEs would often possess housing in these areas. Therefore these employees would benefit from better education for their children (Lin and Bian, 1991).¹¹¹

Regarding employment status, CC and ILC residents are predominantly

¹¹¹ Due to the differential access to housing and benefits, there was considerable competition to get into the best work units (see also Bian, 1994)

employed, XFKL and HFXQ residents are predominantly retired (56% and 66% respectively) with some in employment (34% and 21% respectively); while ZHXC residents are all retired or have been laid off, which correspond well with its high proportion of elderly residents. Regarding work affiliation, residents in upmarket estates have greater affiliations with foreign enterprises, while residents in the old estate have a stronger affiliation with SOE's. CC residents are predominantly working for self- or family-owned businesses (54%), with another high proportion working for foreign or Sino-foreign joint venture companies (46%). ILC residents are predominantly working for foreign or Sino-foreign joint venture companies (55%), while the second majority works for SOE's (24%). This result is probably distorted by the under-sampling of foreigners in ILC, who are less likely to work for SOEs. XFKL residents are predominantly working for SOE's (50%), with also a significant proportion of residents working for foreign or Sino-foreign joint venture companies (30%). In contrast, HFXQ residents are predominantly working for SOE's (48%), and private Chinese enterprises (30%). Regarding the household head's position at work, a clear distinction can be found among the three estate types. The largest proportion of residents in upmarket estates CC and ILC work as principals or senior directors (44% and 42% respectively).¹¹² Residents in the mid-price estate XFKL is polarised between the general or basic level staff (38%) and principal or senior directors (35%). This reflects the estate's nature as a mixed estate with returnees and newcomers (see later for their socio-economic contrasts). Finally, residents in the old estate HFXQ are predominantly general or basic level staff (65%).

¹¹² Although ILC also has a significant proportion of mid-level managers (40%)

Table 5- 4 Education and employment

Estate type	New luxury		New mid-price	Old Traditional	
Estate name	CC	ILC	XFKL	HFXQ	ZHXC
Education attainment (%)					
Low (Primary school or junior high school)	0.0	2.9	11.3	41.0	21.1
Medium (High school or technical college)	18.6	27.5	68.1	53.8	42.2
High (University or post-graduate)	81.4	69.6	20.4	5.3	36.8
Employment status (%)					
Employed	47.6	77.5	34.1	20.9	0.0
Retired	4.8	18.3	55.7	65.5	95.0
Laid-off/unemployed	0.0	2.8	5.7	7.9	5.0
Others	47.6	1.4	4.5	5.6	0.0
Employer (%)					
Government department	0.0	11.8	13.3	3.7	x
State-owned enterprise	0.0	23.5	50.0	48.1	x
Private Chinese enterprise	0.0	7.8	6.7	29.6	x
Foreign or Sino-foreign joint venture	46.1	54.9	30.0	18.5	x
Self or family-owned business	53.8	2.0	0.0	0.0	x
Position at work (%)					
Principal/senior director	44.4	42.0	34.5	3.2	x
Mid-level management	22.2	40.0	0.0	9.7	x
Admin/technical staff	33.3	14.0	27.6	22.6	x
General/basic staff	0.0	4.0	37.9	64.5	x

X = not applicable. All the sampled respondents in ZHXC were retired or laid off.

Households' economic situation

The economic situation of households from the five estates is shown in Table 5-5. A great discrepancy of household income is found. The vast majority of CC households earn more than 30,000 yuan per month. The majority of ILC households earn more than 15,000 yuan per month (the modal group earning 15,000-29,999 yuan). The majority of residents in the mid-price XFKL estate earn less than 5,999 yuan per month (the modal group earning 3,000-5,999 yuan). The majority of households in HFXQ earn less than 2,999 yuan per month (the modal group earning less than 1,600 yuan, which is less than 2 full-time minimum wage incomes in Shanghai at roughly 840 yuan/month in 2007). The majority of households in ZHXC also earn less than 2,999 yuan per month, but the modal group earns slightly more at between 1,600 and 2,999 yuan. So in Shimen neighbourhood, the average monthly household income of the

poorest estate is almost 20 times less than the wealthiest estate. The two estates are located just diagonally across from each other.

Table 5- 5 Household income

Estate type	New luxury		New mid-price	Old Traditional	
Estate name	CC	ILC	XFKL	HFXQ	ZHXC
Household monthly income (yuan)					
< 1,600	0.0	2.8	9.4	36.3	0.0
1,600-2,999	0.0	6.9	32.9	31.3	55.0
3,000-5,999	0.0	16.7	36.5	27.5	35.0
6,000-14,999	2.4	11.1	15.3	4.4	10.0
15,000-29,999	9.5	37.5	5.9	0.0	0.0
> 30,000	88.1	25.0	0.0	0.6	0.0
Average household population (mean)	2.6	2.3	2.7	3.8	3.1
Avg. No. of employees per household (mean)	2.0	2.0	1.6	1.6	1.7

Besides lower income, the economic situation of the households in old estates is compounded by larger family sizes and fewer employed members per household compared to new housing estates. Sometimes benefit payments received by grandparents represent the bulk of the household income in old estates (personal interview with Mrs Zhuang on 9 Jan 2008; see also Chang and Tipple, 2009). In general, the average number of employees per household in Shimen neighbourhood is equal to or greater than Shanghai's average (Table 5-6). Regarding the average per capita annual income, the estimation for residents in upmarket estates CC and ILC falls into Shanghai's high income range, residents in the mid-price estate XFKL falls into the medium range, while residents in old, traditional estates HFXQ and ZHXC falls into the low income range (Table 5-7).

Table 5- 6 Shanghai: Urban inhabitants' annual income statistics (2006)

Income categories	Avg. No. of Employees Per Household (person)	Avg. per Capita Disposable Income (yuan)
Total Average	1.60	20,668
Low Income	1.37	8,973
Medium-low Income	1.59	13,045
Medium Income	1.49	16,774
Medium-high income	1.70	22,994
High Income	1.87	42,884

Source: SSB 2007. Refer to section 9.13: BASIC STATISTICS OF URBAN HOUSEHOLD INCOME AND EXPENDITURES

Table 5- 7 Comparisons to Shanghai's 2006 average annual per capita income based on estimation

	New luxury		New mid-price	Old Traditional	
Estate	CC	ILC	XFKL	HFXQ	ZHXC
Estimated per capita annual income (yuan) °	>138,461	78,261 - 156,517	13,333 - 26,662	< 5,053	6,194 - 11,609
Income range compared to 2006 categories (Table 4-14)	High	High	Med- low to med-high	Low	Low

° Estimation calculated by (majority monthly household income range) divided by (average number of persons per household) times 12 (months)

°° figures for per capita disposable income excludes income from selling of properties and social security expenditure.

5.4.3 Tenure and housing expenditure

Residents' tenure characteristics and households' housing expenditures are shown in Table 5-8. The 5 housing estates displayed distinct tenure characteristics. Residents in CC and ILC predominantly own commodity apartments. A small proportion of privately owned returnee reallocation apartments are found in ILC due to the returnee policy involved in its redevelopment (see chapter 7). Again the proportion of foreigners in ILC, who often rents, is under-represented in this sample. Because XFKL is also developed with a returnee policy (see chapter 8), its tenure structure is dominated by privately-owned returnee reallocation apartments (46%) and privately-owned commodity apartments (35%).¹¹³ In stark contrast, old estates contain much higher proportions of public rental housing, and fewer privately-owned dwellings. Residents in HFXQ predominantly rent government public housing (65%), with a small proportion of households who had privatised their public housing during the 1990s (15%). Residents in ZHXC also predominantly rent government public housing (58%), but it also has a relatively high proportion of households who had inherited their private dwellings (42%).

House prices in the neighbourhood also varied greatly. Regarding the purchasing price, CC residents had spent on average 44,146 yuan/m² for a

¹¹³ Refer to chapter 8 for more information on its returnee policy.

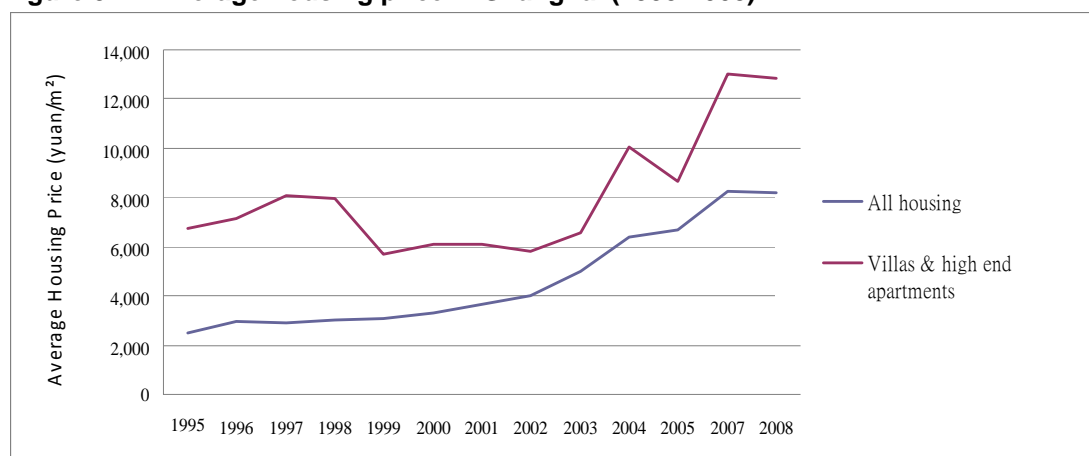
commodity dwelling. ILC residents had spent on average 30,772 yuan/m² for a commodity dwelling, and 6,408 yuan/m² for a returnee reallocation dwelling (see chapter 7 for more explanation on the benefits applied to the house purchases of returnees). XFKL residents had spent on average 6,661 yuan/m² on a commodity dwelling, and 4,878 yuan/m² on a returnee dwelling (see chapter 8 for benefits offered to returnees' house purchases in XFKL). For the returnees, this equates to an approximately 23 per cent reduction on the full market price. The low prices of the commodity dwellings in XFKL reflected Shanghai's housing prices in 2001, which was before the significant price inflation that occurred around the end of 2002 (Figure 5-11). Residents in HFXQ had privatised their ex-public housing for between 3,756 and 5,136 yuan/m². The prices varied according to the dwelling type. *Shikumen* dwellings are the cheapest, followed by other pre-1949 constructions. Workers' apartments are the most expensive. These price differences would most likely be due to the size differences of dwellings rather than the different dwelling styles. Dwellings in *shikumen* houses usually constituted a single, makeshift room within a larger house, hence are often smaller than a dwelling in a purposely built workers' apartment. The government would have issued a standard unit price (per m²) for the sale of these dwellings. Overall, the purchase price of dwellings in Shimen neighbourhood is extremely polarised. The cost per m² of a dwelling in upmarket estates ranged between six to eleven times the purchase prices of a dwelling in the old estates.

Table 5- 8 Tenure and housing expenditure

Estate	New luxury		New mid-price	Old Traditional	
	CC	ILC	XFKL	HFXQ	ZHXC
Tenure of residence (%)					
Inherited private	0.0	0.0	0.0	7.6	42.1
Privatised government/ work-unit	0.0	0.0	13.5	14.6	0.0
Private (commodity)	95.3	72.6	34.8	1.2	0.0
Private (returnee)	0.0	21.9	46.1	2.9	0.0
Rental (market)	4.7	2.7	5.6	5.8	0.0
Rental (work-unit)	0.0	2.7	0.0	2.9	0.0
Rental (government)	0.0	0.0	0.0	64.9	57.9
Average purchase price (yuan/m²)					
Shikumen dwellings	x	x	x	3,756	x
Other pre-1949 dwellings	x	x	x	4,412	x
1949-1990 constructions (workers' apartments)	x	x	x	5,136	x
Post-1990 dwellings (returnee)	x	6,408	4,878	x	x
Post-1990 dwellings (commodity)	44,146	30,772	6,661	x	x
Average rental price (yuan/month)					
From the government	x	x	x	66.3	98.9
From the work-unit	x	x	x	40.7	x
From the private market	16,000	17,000	2,487	x	x
Monthly service charges (yuan/month)					
Mean	547.7	445.1	108.6	14.8	7.5
Maximum	718.0	1100.0	500.0	100.0	10.0
Minimum	500.0	150.0	23.0	3.0	5.0

X= did not apply in this estate

Figure 5- 11 Average housing price in Shanghai (1995-2008)



Source: SSB (2000-2009)

Similar differences are found in the rental price of dwellings. Renters in CC spend on average 16,000 yuan/month for a dwelling, while renters in ILC spend on average 17,000 yuan/month. Renters in XFKL spend on average 2,487 yuan/month for a dwelling. In contrast, renters in HFXQ spend on average only 66.3 yuan/month for a government-owned public housing, or 40.7 yuan/month

for a work-unit dwelling. Renters in ZHXC spend on average 98.9 yuan/month for a government-owned public housing. The highest average rent found in Shimen neighbourhood is more than 400 times the lowest average rent. Likewise, the non-subsidised housing service charges (*wuye fei*) in new commodity housing estates are significantly higher than government subsidised housing service charges applied to old, traditional estates. For new commodity estates, these charges are collected by professional Housing Management Companies (HMC) based on a per square metre cost per month, meaning that the larger the dwelling the higher the monthly charge. The services provided by HMCs generally include cleaning, security, and the maintenance of facilities and vegetation in housing estates. For example, in CC, a standardised fee has been set at 4.3 yuan/m² per month for all the dwellings (interview with a sales representative, 15 June 2007). The monthly service charge for a three-bedroom dwelling in CC will cost about 700 yuan.¹¹⁴ From the survey, CC residents pay on average 647.7 yuan/month while ILC residents pay on average 445.1 yuan/month for their services. In XFKL, the estate contains 4 categories of service charges for different tenure and housing types. The cheapest rate is reserved for returnee reallocation dwellings, and higher fees are charged on commodity dwellings without lifts, and even higher for commodity dwellings with lifts, and the highest are charged on the villas. On average, these residents pay 108.6 yuan/month for their services. In stark contrast, HFXQ residents pay on average a mere 14.8 yuan/month, while ZHXC residents pay an average only 7.5 yuan/month for services. Overall, the highest average monthly service charge in Shimen neighbourhood is 73 times the lowest average service charge.

These data illustrate the increasing filtering effect on residents by their unequal housing affordability in Shanghai (see also Wu, 2005; Li and Wu, 2006a). Like CC and ILC have shown, the filtering by economic ability also links to foreign high earners. A previous study in Shanghai has discovered that the higher the house price, the higher the proportion of buyers from overseas (Table 5-9). Moreover, the continued inflation of housing price in Shanghai is making the

¹¹⁴ In ILC the maintenance charges varied between 3 and 4 yuan/m²/month (source: http://www.myliving.cn/house/newhouse/newhousedetail_2315_1.htm accessed on 17 April 2009)

socio-spatial filtering more extreme. Tables 5-10 and 5-11 show the estimated market prices to purchase and rent dwellings in CC, ILC and XFKL in 2008. Considering a standard two-bedroom dwelling in CC (157 m² at 55,000 yuan/m²), it will cost roughly 8.6 million yuan. The medium average individual disposable annual income in Shanghai in 2006 is 16,774 yuan. If we take an earning couple in the same salary bracket for example, this dwelling will take the couple 256 years of complete income to purchase. Thus upmarket estates have become inaccessible even for Shanghai's medium income households. On the other hand, the present degree of social mix in central Shanghai is also a consequence of the continued supply of cheap public rental housing with subsidised rent and service charges in old, traditional estates. If we take the poorest families in the poorest estate in the neighbourhood (HFXQ) for example, their rent equates to about 4 per cent of monthly household income.¹¹⁵

Table 5- 9 Structure of home buyers for houses above 8,000 yuan/m² in Shanghai (first quarter 2003)

Price bracket (yuan/m ²)	Proportion of buyers			
	Total percentage	Buyers from Shanghai	Buyers from other provinces	Buyers from other countries
8,000-10,000	100	54.0	26.6	19.4
10,000-12,000	100	31.4	32.4	28.2
12,000-15,000	100	31.5	31.3	37.2
15,000-20,000	100	30.8	22.1	47.1
> 20,000	100	25.6	28.7	45.6

Source: Shanghai Loushi, 2003, Vol. 5, p.14 cited in Y. Huang (2006: 153)

Table 5- 10 Market value of dwellings (yuan/m²)

	CC	ILC	XFKL
Cost of dwelling			
Commodity dwelling	55,000	45,000	33-34,000
Returnee dwelling	x	40,000	33-34,000

X= dwelling type did not exist in the estate

Source: personal interview with local estate agent Mr Tao from Shanghai Hanyu Property Consulting Company on 30 June 2008.

¹¹⁵ This is calculated from approximately 1,600 yuan/month of household income and 66.3 yuan/month of rent for a government-owned rental dwelling. This proportion of housing expenditure on income has not changed very much since the 1990s. According to Tang and Parish (2000: 38), about 5% of the residents' monthly salary went to rent in 1993.

Table 5- 11 Average market rental values of commodity dwellings in the neighbourhood (yuan/month)

	Luxury estates		Mid-price estate
	CC	ILC	XFKL
3-bed dwelling	25,000	20,000	9-10,000
2-bed dwelling	18,000	15,000	6-7,000
1-bed dwelling	x	8,500	4,5-5,000

X= Not available

Source: personal interview with estate agent Mr Tao from Shanghai Hanyu Property Consulting Company on 30 June 2008.

5.5 Conclusion

Since the 1990s, Jing'an district has been heavily involved in slum demolition and renewing dilapidated housing. The district has used land leasing to transform its urban structure towards a 'twin high' vision, combining high-end commercial and high-end residential functions. To support the development of the tertiary industry, the residential and industrial land uses in the district have been progressively lowered, while commercial land uses have been significantly increased. Regarding residential development, the latest district plan aimed to develop the Southern part of the district into a high-end residential zone while protecting the area's rich legacy of traditional housing stock. The Northern part of the district, where Shimen neighbourhood is located, will be turned into a mid- to high-end residential district. The district had proactively used housing programmes such as the HAFI and PGP to encourage housing renewal. Despite large amounts of investment and redevelopment, the Shimen'er Road Street Office area still contains the characteristics of a traditional inner-city district characterised by a high proportion of low income, lowly educated and elderly population. However the population of foreigners has increased.

Housing redevelopment in Shimen neighbourhood began in 1997. Prior to 1997, the neighbourhood had a rather homogenous physical and social structure. *Shikumen lilong* houses dating from the early 1900s dominated the housing stock, and longstanding residents of similar low socio-economic profiles occupied the neighbourhood. Due to years of restrained housing investment, the housing stock became dilapidated. Most households suffered from a lack of private sanitation facilities and space shortage. After 1997, several traditional estates have been redeveloped in sequence, turning Shimen into a mixed

neighbourhood. Three distinct estate types now exist in the neighbourhood: the old, traditional estate or the 'workers' enclave', the new middle-income commodity estate and the new upmarket commodity estate. The three estate types differed significantly in their spatial attributes and in their residents' demographic and socio-economic characteristics despite their spatial proximity.

Spatially, upmarket estates possess the best public facilities. Both upmarket estates have reserved a significant proportion of their sites for greening. Public amenities usually include beautifully landscaped compounds with ample open spaces, gardens, scenic features and car-parking. Private club houses with sports facilities, activity rooms and conference facilities are also common. The middle-income estate also provides much improved public facilities than the traditional estates. It has been designed with the intention to improve living conditions of residents, which provide plenty of public spaces, activity facilities, exercise areas and greenery. In contrast, old traditional estates generally possess minimal public facilities. Trees and basic exercise facilities are sometimes present, and generally internal alleyways represent the only public spaces where residents can hangout. Since these old estates have yet to be redeveloped, their physical conditions have remained dilapidated. In comparison, the new estates provide much improved dwelling conditions. The subsequent chapters will explore further the internal living conditions provided in each housing type.

Demographically, residents in new commodity estates are younger. Their mean age is around the mid-50s, with an upmarket estate averaging in the mid-40s. In comparison, the average age of residents in old traditional estates is above 61 years old. Residents in new estates have all lived in the neighbourhood for less than a decade, which coincides with the completion date of the respective housing development. In contrast, residents in old estates have lived in the neighbourhood in excess of 40 years, which suggest a stable residential pattern. The majority of households in all of the estates are married. One of the upmarket estates has a comparatively higher proportion of singletons, which coincides with its younger residents. In terms of household registration, a much

higher proportion of foreign-origin residents live in upmarket estates. One luxury estate in fact represents a Taiwanese enclave with over 58 per cent of its residents from Taiwan. On the other hand, residents in the middle-income and old estates are predominantly local Shanghai people. Although anecdotal evidence from several residents suggest that one of the old estates also contains a significant proportion of migrant workers, who have not been successfully sampled in the survey.

In terms of education, residents in upmarket estates predominantly possess high level education of a university qualification or above. Residents in the middle-income estate predominantly have a mid-level education attainment of high school or technical college training. Residents in old estates have a higher proportion of residents with a low education attainment of junior high school level training or below. In terms of employment, residents in upmarket estates are predominantly employed, which correlates to their higher education and younger ages. In comparison, residents in the middle-income estate and old estates are predominantly retired. These correlate well with their higher proportions of lowly educated and elderly residents. Education factors also correlate with residents' employment position. Residents from upmarket estates are predominantly principals or senior directors. Residents in the middle-income estate, because of its balance of returnees and newcomers, are polarised between senior directors and basic level staff. Residents in old estates, who are employed, are predominantly basic level staff.

Household income in the neighbourhood varies significantly. Residents in upmarket estates predominantly have a monthly household income of above 15,000 yuan. The majority of the middle-price commodity estate households earn less than 5,999 yuan per month. Residents in old estates are the poorest with the majority of households earning less than 2,999 yuan per month. Overall, households of the richest estate earn more than 20 times the households of the poorest estate. The income situation of residents in old estates is compounded by larger household sizes, and by having fewer employed household members. Regarding per capita income, residents in upmarket estates correspond well to

Shanghai's high income bracket; the middle-price estate residents correspond well to the middle income ranges; and residents in old estates correspond well to Shanghai's low income bracket.

Tenure in the neighbourhood is similarly varied. Residents in upmarket estates predominantly owned private housing. The middle-income estate is polarised between owners of commodity housing and returnee reallocation housing. For the old estates, one is dominated by renters of government's public housing stock, while the other is polarised between private owners of inherited dwellings, and renters of government's public housing stock. For the latter, this relates to its higher proportion of residents with slightly higher socio-economic levels and residents with affiliations to high-ranking party cadres. Housing expenditure also contrasts significantly in the neighbourhood. For home owners, residents in upmarket estates had bought their dwellings at a price between 30,000 and 44,000 yuan/m². Residents in the middle-price estate had bought commodity housing for around 6,600 yuan/m² and returnee reallocation housing for around 4,900 yuan/m². For old estates, households had privatised their public housing dwellings between 3,800 yuan/m² and 5,100 yuan/m². For renters, their housing expenditure is equally contrasting. Residents in upmarket estates pay on average between 16,000-17,000 yuan/month for their dwellings. Residents in the middle-price estate pay on average around 2,500 yuan/month for their dwellings. Renters in old estates pay on average less than 100 yuan/month for their dwellings.

The discrepancy also extends to households' monthly service charges, which is levied for their estate's maintenance. Calculated on a per square metre basis, households in upmarket estates pay on average between 445 and 550 yuan per month. The middle-price estate residents paid on average around 110 yuan per month. Residents in old estates pay a minimal amount as their service charges are still heavily subsidised by the government. They pay on average less than 15 yuan per month. The significant supply-side discrepancies in housing expenditure in close spatial proximity contribute to the existence of mixed neighbourhoods in central Shanghai. Moreover, the continued presence of

public housing and the practice of housing subsidies have allowed low socio-economic households to continue living in the city centre, despite pressures of gentrification from upmarket housing developments.

To sum up, this chapter has explored the spatial, demographic and socio-economic structures of the five estates in Shimen neighbourhood. The next three chapters will further examine each housing type separately (i.e. old estate, middle-income estate, and upmarket estate). The investigations will concentrate on their interior and living conditions, the intra-estate social interaction (i.e. how the residents interacted with other residents in their estate), and the mechanisms of their development or retention.

6 Traditional old estates

6.1 Introduction

The previous chapter has already provided an overview of the mixed neighbourhood at the meso spatial level, where the spatial and social attributes of its five constituent estates have been explored and compared. This chapter will provide a micro-level analysis of the traditional estates in the neighbourhood: HFXQ and ZHXC. It will focus on three particular areas:

- The physical and living conditions of the dwellings
- The intra-estate social interaction among their residents (i.e. interaction among residents from the same estate)
- The mechanisms which have contributed to the retention of these estates in central Shanghai

Questions investigated in this chapter are:

- a. What are the physical conditions of dwellings in traditional estates? What kind of living conditions do they offer? The previous chapter has already introduced the spatial attributes of each estate and the public amenities found in them. This chapter will focus more on the physicality of dwellings themselves. It aims to generate a better understanding of the residents' living conditions, using data from the surveys, floor plans, and photos of their interiors.
- b. How do residents in traditional estates interact with neighbours from their own estate? We still know very little about the local social dynamics of residents in Shanghai. Recent studies on traditional estates in Nanjing and Guangzhou in the post-reform period have found fairly strong social dynamics among the residents, who appear to have a good knowledge of neighbours and still rely on neighbours for mutual help (Wu and He, 2005;

Forrest and Yip, 2007). Will the same be found in Shanghai?

- c. What are the key mechanisms leading to the retention of these estates in prime central city locations? What has prevented them from demolition, and resisted the pressure of gentrification to turn them into upmarket commodity estates? The existing explanation on remaining parcels of traditional estates in central Shanghai, which have been bypassed during housing renewal, has concentrated on site constraints which dampen potential profit from development i.e. high residential density which increases development cost or irregular sites which restricts the optimal development output (Liao and Zhao, 1996; Y. Huang, 2006a). But as the literature review in chapter 2 suggested, several other mechanisms may be operating in post-reform Shanghai, such as state involvement in the provision of social housing, or resident resistance. We will explore if these are occurring in Shanghai.

This chapter is organised into 5 sections. Following this introduction, section 2 explores the physical and living conditions provided in dwellings in traditional estates. It includes a brief recap of the socio-economic attributes of their residents, followed by an examination of their physical features including layout, furnishings, and building materials, and indicators such as the possession of bedrooms, amenities and space per capita. Section 3 explores the intra-estate social interaction among these residents. It examines residents' dynamics of interaction. Section 4 explores the mechanisms which contribute to the retention of these traditional estates. These are integral mechanisms in the formation of mixed neighbourhoods in central Shanghai. Section 5 concludes the chapter with a summary of the key findings.

6.2 Physical and living conditions

6.2.1 Recap of residents' socio-economic attributes

Like many communities living in dilapidated inner-city housing in China, residents of XFXQ and ZHXC are an older population of relatively low socio-

economic status, evident in terms of their education status, employment status and income status of the households (Wu and He, 2005; Li and Wu, 2006a).

There is an over-representation of middle aged and in particular elderly households. The mean age of the household heads in both estates is above 60. In HFXQ, 51 per cent of the households heads is aged 61 and above, and the share is 70 per cent in ZHXC. Household heads aged 45 or below is actually non-existent in ZHXC, and comprise a small share of only 13 per cent in HFXQ.

In HFXQ, about 80 per cent of the household heads have only high school education or below, and less than 5 per cent have a university education. Education status is evidently higher in ZHXC, where over one-third (37%) reported having a university education. Nevertheless 42 per cent of the heads has either junior-high or high-school education.

Related to the older age structures of the estates, and therefore residents' relative marginal position in the labour market, retirement and unemployment was very common in both estates. In HFXQ, the rate of employment was only 21 per cent, with two-thirds (66%) of the household heads being already retired, and a significant 8 per cent being laid off or unemployed. No household heads at all in ZHXC reported being in employment. The retirement rate here was 95 per cent and the remaining 5 per cent all reported being unemployed or laid off. Of those still in employment in HFXQ, 58 per cent were blue collar workers in government or state-owned enterprises. They occupied relatively lower job status, with only 13 per cent being mid-level management or higher, and the remaining being administrative, technical or general staff.

Related to their marginal employment status, the residents also had relatively low incomes. Only 5 per cent of the households in HFXQ, and 10 per cent in ZHXC, reported earning more than 6,000 yuan/month, which is close to the city's average. In HFXQ, about one third of the households earned incomes of between 1,600-2,999 yuan/month, and another one third with less than 1,600 yuan/month. In ZHXC, incomes are only slightly higher despite the higher

degree of retirement amongst household heads. 55 per cent of the households earned between 1,600-2,999 yuan/month, and another 35 per cent between 3,000-5,999 yuan/month. In sum, most households here have well below-average incomes, and a significant proportion is living near the minimum wage of 840 yuan/month, which came into effect in Shanghai on 1st Sep 2007.¹¹⁶

6.2.2 Housing types and physical conditions

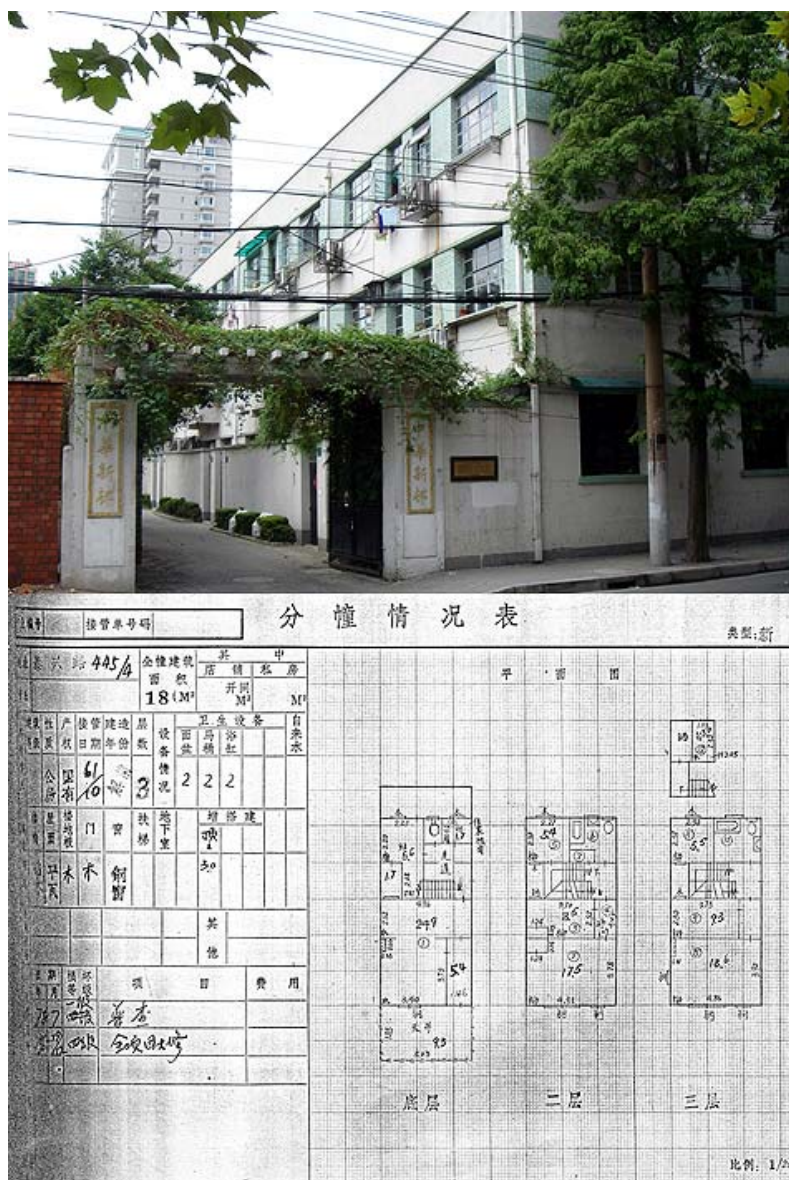
The two estates encapsulate the common housing types found in traditional workers' estates in Shanghai. These included *shikumen lilong* houses, pre-1949 apartment blocks and terraced houses, and 1970's workers' apartment buildings. A description of their physical and living conditions is provided below.

Zhonghua Xingcun (ZHXC)

ZHXC entails 44 units of terraced houses built in the 1920s (Figure 6-1). Each house contains approximately 160 m² of floor space which is spread across three levels. The houses all have timber doors and floors, copper windows frames and ceramic roof tiles. As one of the best residential developments at its time, these houses already had running water and piped gas when it was built. The majority of the houses are single-bay wide, although several larger houses are 2-bay wide. For a standard single-bay wide house, the ground floor contains a private garden (9 m²), a large room in the front (30 m²), with a toilet and a kitchen in the back. Each of the upper floors has two rooms in the front (approximately 9 m² and 18 m²), a wide walkway along the staircase, and a bathroom at the back. Next to each landing, there is a small backroom (5.5 m²) located in-between the levels. Although the majority of houses are privately owned, most of the rooms are being used as separate dwellings by members of owners' extended family. Households share the W/C and kitchen in the house.

¹¹⁶ The new standard comes in effect from 1st Sep 2007. Prior to that, the minimum wage in Shanghai was 750 yuan/month (<http://www.chongminglawyer.com/laodonglvshi/shanghaishizuidigongzibiao.htm> accessed on 10 May 2009)

Figure 6- 1 Plans of a three-storey terrace house in ZHXC



Source: Shanghai Municipal Archives

Figure 6-2 shows the interior of a 2-bay wide house in ZHXC. The interviewee owns the entire house, and lived with his extended family members. Each family occupied a separate room. Viewing clock-wise from the top left, we can see the bedroom/office of the owner, which is reasonably sized at approximately 18 m²; a spacious hallway by the staircase, which is now used by families for additional storage; one of the original bathrooms in the house dating back to the 1920s, which is equipped with a modern basin, toilet bowl and bathtub; the original living room and dining room located on the ground floor, which are shared by all the residents.

Figure 6- 2 Interior images of a dwelling in ZHXC



Source: author

Hengfeng Xiaoqu (HFXQ)

HFXQ estate contains three types of houses: a) old-style *shikumen* houses, b) pre-1949s apartments, and c) 1970s workers' apartments.

a. Shikumen houses

The majority of the housing stock in HFXQ is comprised of old-style *shikumen lilong* houses built around 1900, which makes up roughly 65 per cent of the estate's dwellings. Each *shikumen* house contains about 330 m² of floor area, and 12 to 16 rooms (Figure 6-3). Designed over two levels, these houses were originally intended for the occupation of single families. Their design is slightly different from the new-style *lilong* houses introduced in chapter 4. A typical layout of the *shikumen* houses in HFXQ is organised into a front and a back section.¹¹⁷ The front section contains three large rooms between 24 m² and 34 m². These are arranged around a large central courtyard of approximately 18 m². Separated by a passage, the back section contains smaller rooms for services, storage and servants. A staircase located in the passage leads to the upper floor, which repeats the same layout as the ground floor. During the socialist period, the majority of these houses had been nationalised by the state. Subsequently, rooms in each house were distributed to different households to solve the rising housing demands. Nowadays, each house contains between 10 and 15 households i.e. usually 1 room per household. An interviewee reported that her husband's family used to own all of the *shikumen* houses in HFXQ. After 1949, the entire estate was confiscated by the state and then redistributed to other residents. Only one house was retained for her husband's family, whose extended family members now reside in different rooms in the same house (personal interview with Mrs Zhuang, 9 Jan 2008).

¹¹⁷ For additional information on the design and layout of *shikumen* houses and how they were occupied, read Wang and Chen, 1987; Lu *et al.* 2001; Zhao, 2004; and Li, 2004.

A photograph of a traditional Chinese courtyard (hutong) scene. In the foreground, several long lines of laundry, including white sheets and a blue and white striped shirt, are hanging to dry. The background features a two-story brick building with traditional architectural details, such as decorative lintels and windows with metal grilles. A modern air conditioning unit is mounted on the wall. A person is visible sitting on a bicycle in the lower right corner, and a motorcycle is parked nearby. The scene is set in a narrow alleyway, with a modern high-rise building visible in the distance.



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ground floor; moving to a narrow corridor inside the *shikumen* house, which is full of storage items; finally a communal kitchen shared by six families, which provides about two metres of bench space for each household.

Figure 6- 4 Interiors of a *shikumen* dwelling in HFXQ

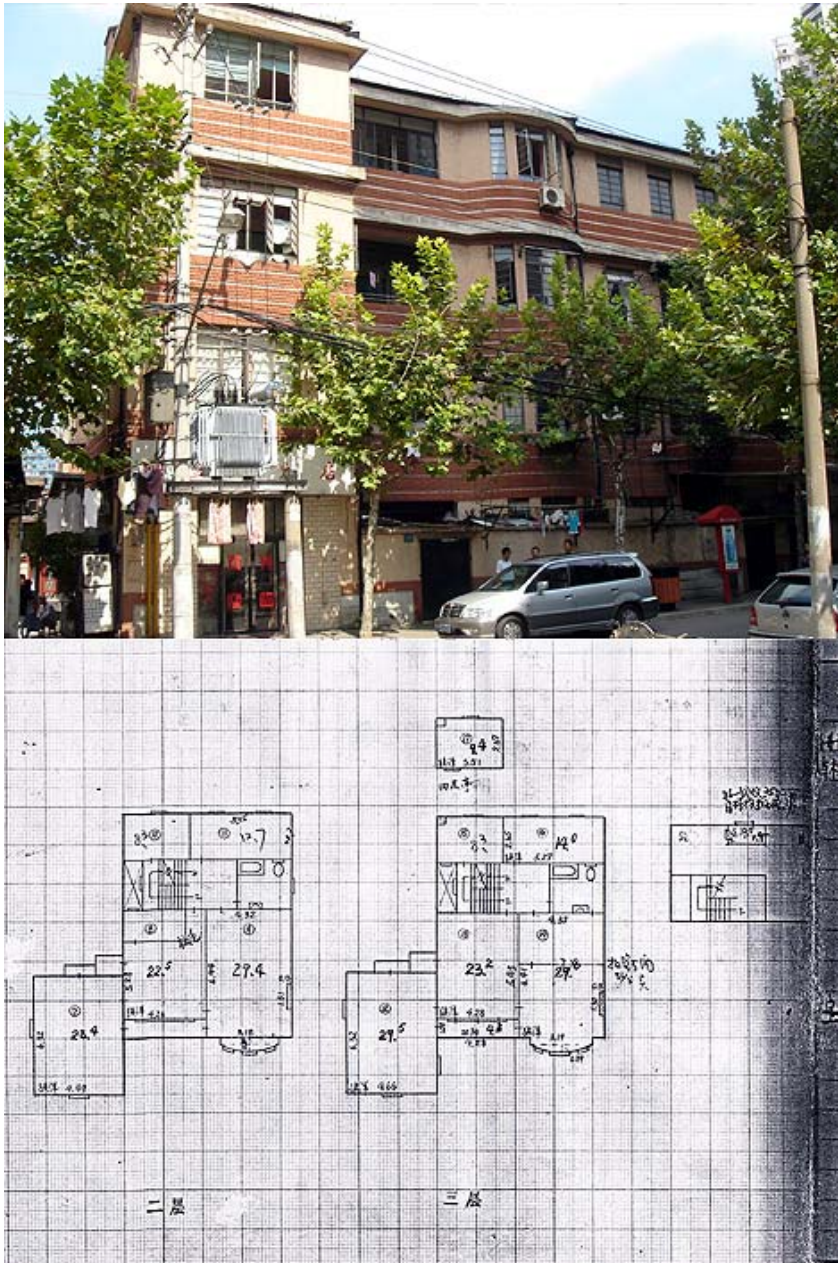


Source: author

b. 1920s terraced apartments

Along Kang Ding Dong Rd on the Southern border of HFXQ, there are two terraces built by a German developer around 1920 (Figure 6-5). The houses all have timber doors and floors, and metallic windows frames. There are 20 units in total. Each unit is 4 storeys tall. Each floor contains two front rooms (23m² and 29m²) and a small back room (14m²). On each of the split levels by the landing of the staircase is a separate small room (8m²) called the *tingzhijian*. The unit being shown here is located at the end of the terrace, and it has an extra building attached to its side. By the 1920s, modern apartments in Shanghai began to have bathrooms (Lu *et al.* 2001). The same can be found here as a bathroom is provided on each floor. Nowadays these bathrooms are shared between multiple families living in the same unit.

Figure 6- 5 Plans of a 1920s terrace in HFXQ



Source: Shanghai Municipal Archives.

Figure 6-6 shows the interiors of a dwelling in the terraces. Because individual rooms in the terrace houses had been converted into dwellings for different families, occupants often constructed simple cooking stations and storage facilities on the landings and along the walkways by the staircases to cater for the lack of kitchens and space in their dwellings. Consequently the circulation spaces in these units are usually very cramped. The dwelling example was prepared by a developer to reallocate a family affected by the redevelopment of

the nearby Zhangjiazai estate. In order to satisfy the household's demand for relocation, two adjoining units were knocked through to make a large 150 m² dwelling. Readers should keep in mind that other dwellings in the terraces are generally smaller and less well equipped than this example. Moving clock-wise from the top left image, we see the crowded walkway along the staircase, the master bedroom in the dwelling, and a reasonably spacious and bright living room. Dwellings in these terraces generally benefitted from good spacing between buildings on either side, which allowed greater natural lighting.

Figure 6- 6 Interior of a dwelling in the 1920s terrace in HFXQ



Source: author

c. Workers' apartments

A row of workers' apartment buildings occupy the Eastern border of HFXQ along Wuding Xi Rd (Figure 6-7). These were built by work-units in the 1970s. The apartment blocks are 5 to 6 storeys tall. Floor plans of these apartments

could not be obtained, but field research has shown that these purposely built apartments offer slightly better living conditions than dwellings in *shikumen* houses. Each floor of the apartment contains two apartment units. Each apartment contains a balcony facing the street, which improves the ventilation. Balconies are generally used by residents to hang their washing. In the visited apartment, the unit has roughly 60 m² of floor area, but it is subdivided into two dwellings for two separate households (e.g. 30 m² each). Despite offering more living space than *shikumen* dwellings, signs of crowding could still be found. Because the original apartments did not have private toilets, most families still have to use chamber pots or public toilets provided in the estate. There are also no elevators in the apartments.

Figure 6- 7 Workers' apartment building in HFXQ



Source: author

Figure 6-8 shows the interiors of an apartment, which is being shared by two families. The households share the entrance area (approximately 9 m²), which have been converted by them into a shared cooking space (bottom left image). The families have subdivided this space to add a bathroom in this area (bottom right image). One half of the apartment contained a small room (9 m²) just off the entrance (top image), which is being used as a bedroom by the interviewee's daughter. Passing through this room leads to the living room

(approximately 20 m²), which doubles as the owners' bedroom and also the family's dining space. The family has requested this room not to be photographed.

Figure 6- 8 A dwelling in a workers' apartment in HFXQ



Source: author

6.2.3 Living conditions: physical dilapidation and crowding

After 1949 when the communist party nationalised China, a severe housing shortage developed. Consequently houses originally designed to be a single family dwelling were gradually subdivided to accommodate multiple families (Chang and Tipple, 2009). This legacy of subdivision and overcrowding was still highly visible in the late 2000s.

Table 6-1 shows the living conditions of residents in the traditional estates. The average household living space in HFXQ was only 39 m², with the minimum reported living space being 9 m². Furthermore 61 per cent of the families were living in just one room. The shortage of space meant that their room had to become multi-purpose, and only 8 per cent of the families had a proper living room. Given that the average household size was 3.8 persons, the per capita living space averaged less than 12 m². On the other hand, the minimum per capita housing space reported was only 2 m². These indicate persistent problems of over-crowding, although the conditions were admittedly already better than that which was prevalent in Shanghai in 1990 (where the average housing space was only 6.6 m² per person, SSB, 2007). Nevertheless, this figure is still significantly below Shanghai's average in 2006, which was 16 m² (SSB, 2007).

Table 6- 1 Old estates: living conditions

Estate	HFXQ	ZHXC
Size of dwelling (m²)		
Mean	38.8	77.0
Maximum	150.0	300.0
Minimum	9.0	21.0
Number of bedrooms in dwelling (%)		
1	60.7	26.7
2	38.5	60.0
3	0.0	13.3
4	0.7	0.0
5 and more	0.0	0.0
Average No. of bedrooms	1.4	1.9
Average household population (mean)	3.8	3.1
Floor area per capita (m²)		
Mean	11.6	19.9
Maximum	40.0	30.0
Minimum	2.0	7.0
Possession of living room (yes) (%)	8.3	25.0
Possession of private amenities (%)		
Bathroom	23.9	60.0
Toilet	30.0	95.0
Kitchen	33.3	40.0
Water	62.8	65.0
Electricity	73.9	85.0
Gas	72.8	95.0

The issue of crowding was in comparison far less significant in ZHXC. Here, most families have two (60%) or three bedrooms (13%) to live in and the average household living space was 77 m². Nevertheless, some households live in somewhat tight conditions - as 27 per cent of the families had only one room to live in, and the lowest reported family living space was only 21 m². Moreover, only a quarter of the families had a proper living room. With an average household size of 3.1 persons, the per capita living space averaged 20 m², exceeding Shanghai's 2006 average.

Various signs of informal extensions and creative space appropriation can be found in HFXQ. Besides the self-built mezzanines to maximise space, interior courtyards of *shikumen* houses had usually been taken over by residents to store wardrobes or cupboards in order to gain extra storage spaces, or installed cooking stations along stairways or landings. Shared, or a lack of modern sanitation facilities and amenities was also a prevalent problem in the traditional estates. In HFXQ, only 24 per cent of households had indoor bathroom/showers, and only 30 per cent had indoor toilets. Shared bathrooms represented a luxury

in some of the better equipped houses, but these were often dirty and poorly maintained amongst multiple households. Kitchens were mostly shared, and only one-third had private possession of cooking spaces. The modest kitchens were shared by multiple families. The lack of private toilet meant that chamber pots were still being used by many households (Figure 6-9).

Figure 6- 9 A resident cleaning chamber pots in the alleyway of HFXQ



Source: author.

Almost 30 per cent of the families reported having no gas supply, or electricity connections, and almost 40 per cent did not have water. In ZHXC, conditions were slightly better. In these better quality dwellings, 95 per cent of the households had indoor WC, and almost 90 per cent had gas or electricity connections. Nevertheless the availability of private bathrooms or kitchens was still very low. 40 per cent did not have a bathroom, 60 per cent did not have their own kitchen, and 35 per cent did not have an indoor water supply.

Apart from overcrowding and the deficiency of facilities, after years of neglect and under investment in maintenance, dwellings in *shikumen* houses suffered from widespread physical degradation. Signs of chronic under-maintenance were obvious from site observations. Walls were often damp and mouldy due to

prolonged exposure to moisture, timber window frames were often warped, the window panes were generally cracked, the timber floors creaked and were uneven, and the sound proofing between dwellings was poor. Furthermore, the interiors were cold from draughts of wind coming through cracks around the windows. Many residents could not afford adequate heating, and coped by wearing winter jackets indoors.

6.3 Intra-estate social interaction

While residents are associated with low socio-economic capacity and poor living conditions, traditional housing estates in inner-city China often retain well developed local social networks, which in various ways help the residents cope with everyday life (Wu and He, 2005). This section considers residents' intra-estate social interaction (i.e. interaction amongst neighbours from the same estate) in traditional estates. Several areas of residents' social engagement are considered to explore the interaction in traditional estates. These include:

- Residents' definition of neighbours and attitudes toward interaction
- Residents' knowledge of neighbours
- Residents' activities and modes of interaction with neighbours
- Mutual help and conflicts among neighbours

6.3.1 Perceived neighbours and attitudes toward interaction

Table 6-2 shows the residents' definition of neighbours and their attitudes toward interacting with neighbours. In general, residents have different definitions of who their 'neighbours' are. However most residents consider those living nearby as neighbours and many have relatively well developed knowledge of these neighbours. When asked who they perceived as neighbours, 44 per cent from HFXQ referred to residents from their own building, and another 30 per cent referred to residents from the same floor or next door. The majority from ZHXC (67%) referred to occupiers of adjacent buildings, and another 28 per cent referred to residents from their own building. Residents

have a slightly larger mental area associated with neighbours in ZHXC. Regarding the perception of the interaction with neighbours, the majority from both estates (55% from HFXQ and 65% from ZHXC) were open to the idea. This answer is neither overly enthusiastic nor overly nonchalant about the issue. Nevertheless, about a third of residents from both estates saw this as absolutely necessary (31% from HFXQ and 35% from ZHXC). Slightly stronger sentiments were found in respondents' willingness to take part in activities organised by their estate. The modal from both estates expressed an outright willingness to participate (36% in HFXC and 60% in ZHXC). Another quarter to a third expressed a willingness to participate pending on their availability of time (22% in HFXQ and 35% in ZHXC). Overall, residents in these estates appeared open and willing to interact with their neighbours.

Table 6- 2 Old estates: definition of neighbours and attitudes toward interaction

(%)	HFXQ	ZHXC
Who do you perceive as neighbours?		
Only people living next door, or on the same floor	29.9	5.6
Only occupiers of the same building	43.9	27.8
Occupiers of adjacent buildings	13.4	66.7
Occupiers in buildings of the same estate	1.2	0.0
People belonging to the same RC	11.6	0.0
View on interaction with neighbours?		
Absolutely necessary	30.5	35.0
Can have some interaction	54.6	65.0
I don't care	14.4	0.0
Unnecessary	0.6	0.0
Would you take part in activities organised by your estate?		
Yes, I'm willing	36.1	60.0
Yes, but have no time	22.6	0.0
Yes, if it doesn't clash with my schedule	21.9	35.0
Yes, I see it as compulsory	1.3	0.0
I don't care	16.1	5.0
No	1.9	0.0

6.3.2 Knowledge of neighbours

Table 6-3 illustrates the residents' knowledge of their neighbours. Respondents were asked how many neighbours they know from their estate, excluding family and relatives. Overall these residents know a sizeable amount of neighbours. Both estates are dominated by respondents who knew between 10 and 29 neighbours (39% in HFXQ and 45% in ZHXC). However, about a third of residents in both estates knew considerably less i.e. between 1 and 9 neighbours (34% in HFXQ and 35% in ZHXC), and about a fifth of the

respondents who knew considerably more i.e. between 30 and 99 neighbours. More importantly, virtually no respondents knew any neighbours at all (e.g. only 4% in HFXQ).

Respondents also appear to have a fairly good knowledge of neighbours. They were asked to evaluate their knowledge on their neighbours' names, work information and personal preferences. The majority from both estates reported to know some of this information (60% in HFXQ and 75% in ZHXC). Some residents have more extensive knowledge as about a quarter of residents in HFXQ (28%) and a fifth in ZHXC (20%) reported to know most of this information. This concurred with the findings from existing studies that residents in old estates have in general a good knowledge of their neighbours (Y. Wang, 2002; Wu and He, 2005).

Table 6- 3 Old estates: knowledge of neighbours

(%)	HFXQ	ZHXC
How many neighbours do you know in your estate? (Excluding family and relatives)		
None what so ever	4.1	0.0
Between 1 and 9	34.1	35.0
Between 10 & 29 people	38.8	45.0
Between 30 to 99 people	18.2	20.0
More than 100 people	4.7	0.0
Do you know about your neighbours' names, work and personal preferences?		
All of these	2.4	5.0
Most of these	27.7	20.0
Some of these	59.6	75.0
None of these	10.2	0.0

6.3.3 Interaction with neighbours

Table 6-4 shows the residents' interaction with neighbours from their own estate. Neighbours appear to be an integral part of residents' daily social routines. The vast majority of respondents reported to interact with neighbours everyday (67% for HFXQ and 60% for ZHXC). In contrast, low proportions of respondents have no or almost no interaction with neighbours at all (17% for HFXQ and 15% for ZHXC). Moreover, respondents do not only interact with adjacent neighbours. This is evident by the multiple social networks which exist at various spatial scales. In HFXQ the majority of respondents interacted with three categories of neighbours: those from their own building (29%), immediate neighbours who

lived on the same floor or next door (28%), and neighbours from adjacent buildings (25%). A further 17 per cent of respondents interacted with neighbours from across their resident committee (i.e. a larger coverage area). In ZHXC the vast majority (65%) reported to interact with neighbours from adjacent buildings. The remaining respondents mainly interacted with neighbours from across the resident committee (20%), and neighbours from their own building (15%).

Table 6- 4 Old estates: interaction with neighbours

(%)	HFXQ	ZHXC
Frequency of interacting with neighbours		
Everyday	67.1	60.0
A few times a week	8.5	15.0
A few times a month	7.3	10.0
Almost never	13.4	15.0
None at all	3.7	0.0
Almost never & none at all	17.1	15.0
Who do you interact with regularly?		
Only people living next door, or on the same floor	28.0	0.0
Only occupiers of the same building	28.7	15.0
Occupiers of adjacent buildings	25.3	65.0
Occupiers in buildings of the same estate	0.7	0.0
People belonging to the same RC	17.3	20.0
What do you usually do in your spare time?		
Solo activity	63.4	57.9
Take part in activities organised by the estate	8.5	21.1
Interact with neighbours (chatting, playing cards etc)	26.8	5.3
Spend time with friends/family	30.7	63.2
Other	12.4	21.1

In addition, residents were asked about their spare time activities. Respondents were able to select multiple activities on the questionnaire which fit their usual spare time routines. The two most popular are solo activities (64% in HFXQ and 58% in ZHXC) and spending time with friends/family (31% in HFXQ and 63% in ZHXC), which do not involve neighbours. However, moderate proportions of residents do engage their neighbours during their spare time. Just over a quarter of residents in HFXQ (27%) reported to play cards or chat with neighbours, and about a fifth in ZHXC (21%) took part in activities organised by their estate, which would place them in contact with neighbours.

This social atmosphere can be observed by residents spending time in various public spaces around their homes. Table 6-5 indicates where respondents spent most of their spare time. The majority of residents stayed at home (63% in both estates). However, about a fifth of the residents spent most of their spare time in

their estate's public areas (21% for both estates). The wording of the question might have lead to an under-representation of the residents' use of public spaces by excluding the people who used the public spaces for shorter periods during their spare time. Nevertheless, results here suggest that the traditional lifestyle associated with *lilong* living i.e. neighbours mingling in the alleyways, using public spaces as extensions of their dwellings (see Lu, 1999; Zhao, 2004) have been maintained by some residents in these estates.¹¹⁸ Figure 6-10 shows 2 scenes captured during the afternoons in HFXQ. They illustrate the social atmosphere in the estate's public areas with neighbours gathering and commenting on a game of 'go' played on the footpath, and neighbours relaxing and chatting in one of the alleyways.

Table 6- 5 Old estates: where residents spend most of their spare time?

(%)	HFXQ	ZHXC
At home	62.7	63.2
In the estate's public area	21.1	21.1
Outside of the estate	16.2	15.8

¹¹⁸ Neighbours sitting in the narrow alley ways chatting, or playing cards or 'go' with each other. For good review, see Whyte and Parish, 1984; Lu, 1999; Zhao 2004.

Figure 6- 10 Residents hanging out in the public spaces of HFXQ



Source: author

Depth of social engagements

Based on Thomas' (1991) ladder of community interaction, the social interaction among neighbours can be organised into three levels based on the depth of social engagement. At the most basic level of interaction is mutual recognition. The second level involves casual contacts (e.g. social encounters while shopping). The third level contains routine contacts (e.g. hanging out together in the spare time or conversing with each other while waiting to pick up children from school). Table 6-6 shows the depth of social engagement practiced by residents. The first level of interaction consisted of neighbours greeting each other upon encounter. The second level includes chatting to neighbours and borrowing things from each other. Chatting has been considered as an intermediate form of interaction because it demands more time investment from

both parties. As people are more likely to chat with people who they recognise, this act encompasses a sense of familiarity between the neighbours. Mutual borrowing is also considered as an act which stemmed from familiarity i.e. people are more likely to borrow things from people they knew. This option has been included to capture the sharing behaviour of residents in traditional estates, which has been fostered by material and facilities shortage (see Whyte and Parish, 1984; Wu and He, 2005). In such living arrangements, acts of borrowing among neighbours e.g. borrowing cooking ingredients are not uncommon (interview with Mrs Zuang, 9 Jan 2008). The third level of interaction includes 'discussing issues of mutual concern' and 'attending the same activities/hobbies'. The former constitutes a deeper form of conversation, while attending the same activities/hobbies involve mutual coordination, and may encompass actual friendship. The latter represents the strongest form of social activity included in the questionnaire. These activities are used to capture the dynamics of routine interaction made by residents.

In the following analysis, a high proportion of resident engagement involves the practice of more than 50 per cent of the residents, a moderate proportion is between 25 and 49 per cent, and a low proportion is anything below 25 per cent. We can see that the first-level interaction based on greetings was practiced by a high proportion of residents (86% in HFXQ and 80% in ZHXC). The second-level interaction of chatting was practiced by a high/moderate proportion of residents, e.g. just over half of the residents in HFXQ (51%) and a quarter from ZHXC (25%). However, the act of borrowing was practiced by a low proportion, involving about a quarter of residents in HFXQ (22%), and 1 in 6 in ZHXC. Participation in third-level interactions is mainly low. This is recorded in discussing mutual concerns in HFXQ (16%), and in attending the same activities/hobbies (18% in HFXQ and 10% in ZHXC). The exception was a moderate engagement in the discussion of mutual concerns recorded in ZHXC (35%). Previous studies on social interaction in China's traditional estates have focused on residents' knowledge of neighbours, dependency of neighbours and exchanges of mutual help (Wu and He, 2005; Forrest and Yip, 2007). High figures recorded on these indicators suggested that the depth of social

interaction could be high. But the evidence here (based on specific indicators of depth of engagement) suggests this is not the case in this neighbourhood.

Table 6- 6 Old estates: depth of social engagement with neighbours

Depth of engagement	Do you? (yes) (%)	HFXQ	ZHXC	Proportion of engagement
First level	Greet them when you see them	86.1	80.0	High
Second level	Chat with them	50.5	25.0	Moderate/high
Second level	Borrow things from each other	21.8	15.0	Low
Third level	Discuss issues of mutual concern	15.8	35.0	Low/moderate
Third level	Attend same activities/hobbies	17.6	10.0	Low
Unspecified	Others	4.2	0.0	Low

6.3.4 Mutual help and conflicts among residents

Mutual help is another dimension of interaction among neighbours. Studies in Western countries had shown that people rely more on friends or kin than neighbours when proximity or time was less critical, or when intimate emotional support was required (see Warren, 1986; Bulmer, 1986; Guest and Wierzbicki, 1999). In China, however, neighbours traditionally played a more important role. During the socialist era, people's lack of freedom to choose where to live, and the limitations on mobility and telecommunications, had made neighbours one of the most important sources of help for people's daily lives. Material shortage and a lack of market to access professionalised help meant that residents relied on each other as a coping strategy (Whyte and Parish, 1984). Examples of mutual help included watching the neighbour's fire on their stove, unlocking the door for neighbours' child after school, or help watching a neighbour's child while they were away (Whyte and Parish, 1984: 339).

In post-reform China, a recent study in Nanjing (a nearby city North West of Shanghai) has reported that residents in traditional urban neighbourhoods with high concentrations of marginal people (elderly and unemployed), much like the two traditional estates being explored here, relied on their neighbours as an

important source of help (Wu and He, 2005). Table 6-7 shows the residents' help structure in HFXQ and ZHXC. Respondents were asked to select their top three choices of help from a list of potential sources when they faced trouble. Results show that neighbours, family members and the RC were the top choices for both estates. In both estates, neighbours were the third most selected option. This suggests that neighbours still played an important helping role in their lives.

The study then asked if respondents had helped or received help from neighbours in the last six months, and whether they inform their neighbours when they plan to take a lengthy period of absence from home. Results show that mutual help are still practiced by large proportions of residents. The vast majority of residents from ZHXC (68%) and almost half of the residents from HFXQ (49%) had helped a neighbour within the last six months. Similar proportions of respondents had also received help from neighbours during the same period (68% from ZHXC and 45% from HFXQ). Moreover, the vast majority of respondents would inform neighbours if they plan to take a lengthy absence from home (71% in HFXQ and 64% in ZHXC). These results concur with findings of Wu and He (2005) that neighbours are still a key source of help in traditional estates.

Table 6- 7 Old estates: residents' help structure

(%)	HFXQ	ZHXC
If you encountered a problem, which of the following options would be your top 3 choices for help? (Yes)		
Neighbour(s)	46.8	52.6
Friend(s)	26.9	42.1
Family	72.4	84.2
Work	11.5	5.3
The resident committee	46.8	57.9
No one but myself	12.8	5.3
Housing management company	11.5	15.8
The police	10.3	10.5
Within the last 6 months, have you ever helped neighbour(s)?		
Yes	48.9	68.4
No	51.1	31.6
Within the last 6 months, have you ever received help from neighbour(s)?		
Yes	45.3	68.4
No	54.7	31.6
Do you inform your neighbour(s) when you or your family go away from home for a lengthy period of time (i.e. travel)?		
Yes	71.2	64.3
No	28.8	35.7

It had been also been reported in pre-socialist and socialist China that conflicts were as much part of residents' daily lives as mutual help in traditional estates (e.g. *lilong* or workers' compound) (see Lu, 1999; Whyte and Parish, 1984). Table 6-8 illustrates the frequency and reasons for disputes among these residents. Contrary to the expectation, conflicts among residents were rare. The majority of residents have either had no or rarely have conflicts. Only 14 per cent in HFXQ and 5 per cent in ZHXC had conflicts. Nevertheless, the difficulties associated with residential crowding and sharing of scarce amenities (such as kitchen and bathroom facilities) are still constituent factors in residents' conflicts. The main sources of conflicts in both estates have stemmed from the sharing of kitchen (34% in HFXQ and 67% in ZHXC), the misuse of public spaces (26% in HFXQ and 67% in ZHXC), and to a lesser extent, the sharing of toilets (20% in HFXQ and 33% in ZHXC). The last notable reason is the carelessness in the disposal of rubbish (25% in HFXQ and 33% in ZHXC).¹¹⁹

¹¹⁹ Figures on the sources of complaints for ZHXC was not statistically representative of the residents as only three respondents answered this section. Nevertheless, they have been included in the table to indicate the issues that bothered them.

Table 6- 8 Old estates: conflicts with neighbours

(%)	HFXQ	ZHXC
How often do you have conflicts with neighbours?		
None	56.5	47.4
Rarely	29.2	47.4
Sometimes	10.6	0.0
Frequently	3.7	5.3
Reasons for arguments		
Shared kitchen	33.9	66.7
Shared bathroom	12.4	0.0
Shared toilet	20.2	33.3
Noise	7.9	33.0
Misuse of public space	25.8	66.7
Carelessly disposing rubbish	24.7	33.3
Pets	21.3	33.3
Car parking	12.4	0.0
Others	10.1	0.0

6.4 The retention of traditional estates

Despite large scale housing redevelopment, a significant proportion of old, traditional housing still remains in central Shanghai. The estimated amount of old housing (second and third class workers' apartments, *lilong* houses, and shanties) in the 7 constituent districts that make up the inner-city area in Puxi is 51.3 million m², or 47.2 per cent of the area's total housing stock (SSB, 2009).¹²⁰ In Jing'an district, where Shimen neighbourhood is located, old housing represented 32 per cent of its total housing stock in 2007. Period *lilong* houses alone represented 17 per cent of Jing'an's total housing stock (SSB, 2008). The retention of these old housing and their residents is therefore a key aspect in the formation of mixed neighbourhoods.

The retention of traditional estates in central Shanghai is caused by three broad mechanisms:

- a. Old estates retained via persistent resident resistance
- b. Old estates institutionally withheld from redevelopment
- c. Old estates institutionally preserved

¹²⁰ Garden villas were not included in the calculation, as the stock could not be distinguished between old or new construction. If the figure for old garden villas were available and included in the calculation, the representation of old housing stock in central Shanghai's total housing stock would have been even higher.

Each of these will be elaborated below. When possible, old estates in Shimen neighbourhood will be used as examples. Otherwise, examples from other central city locations will be used.

6.4.1 Old estates retained via persistent resident resistance

When the development process is delayed by resident resistance, unforeseen destabilisation of development coalition may occur, or the financial pressures stemming from escalating development costs could alter the developer's plan, which can contribute to the retention of existing estates.

Prior to the release of the 2009 (No. 4 Notice) from the SMG regarding the opinions to further progress the renewal of old districts, the urban development procedure in Shanghai allows little decision making power to local residents. The municipal or local district government designate the land plots and decide the timing for redevelopment without public consultation. The plot will then be leased to a developer via negotiation or public bidding (predominantly negotiated between the government and developer, but since 2003, the new regulation required all land to go through open public bidding). After these procedures, notices are then disclosed in the concerned estates to inform neighbours about the plans and dates for the redevelopment of their estates. Upon securing the plot, the developer takes over the responsibility to relocate the existing residents by hiring registered relocation companies to negotiate their compensation. Once the amount and form of compensation is agreed, contracts are signed between the developer and residents. Residents will then generally relocate off-site, allowing the demolition of the plot and development to begin. Although the new Urban Housing Demolition and Relocation Management Regulation (2001) has essentially given residents more power to negotiate a fairer compensation, the development procedure does not allow residents to opt out of redevelopment once the decision to redevelop their plot has been decided.

However this did not stop some residents from resisting the development

process. ZHXC offered an example of this kind. The entire street block (including ZHXC) was originally planned to be developed into CC estate (see chapter 7 for its development process). However, due to resident resistance, ZHXC was eventually left out of the scheme, thus retaining the estate and its original residents. Two contrasting versions of the resisting process were obtained, one from disgruntled residents and another from the resident committee. I will present the two versions of the story first, before offering an interpretation of the actual process.

Version 1

According to several residents, their persistent resistance to join the development had delayed the demolition of their estate, and a fortuitous expose of a scandal involving the development coalition eventually saved their estate. These residents did not want to be relocated. Because several neighbouring estates had been redeveloped in the past, they were fully aware of the negative impacts of redevelopment on residents. In particular, they were afraid to be relocated to Shanghai's outskirts.¹²¹ According to a resident:

"We are not here to pick a fight with these people (government/developer). We are doing it to protect our homes (bao wei jia yuan)! We are afraid to move to outskirts of the city. It is too inconvenient." (Personal interview with Mr Huang, 11 Jan 2008)

Residents were also highly sceptical about the quality and integrity of the reallocation housing provided by developers. Furthermore, they believed that their estate had a strong preservation value. According to Mr Gu, a longstanding resident, and Mrs Shen, secretary of the RC, this street block used to contain some of the best old-style *shikumen* houses in Shanghai. Moreover, it also contained two beautiful and grand Spanish-style villas from the 1920s, the

¹²¹ During interviews, residents drew references to the redevelopment of a nearby site where the original residents were relocated to two different counties beyond the city: Fong Xian Xien and Qi Bao. These were 15 and 30 km away from the city centre respectively. Residents were disinclined to face the problems related to the peripheral locations of these relocation bases regarding travelling to work and school and visits to hospitals etc.

oldest pawn shop in Shanghai and a historical temple- Qing'an Temple.¹²² Furthermore, ZHXC occupied the site of a former garden which belonged to a famous official from the Imperial Court of the Qing Dynasty. Eight of the original trees planted by the official still remained on the site prior to redevelopment.

Another unsaid fact which the residents did not allude to, but probably had a strong bearing on their desire to stay, was that ZHXC had comparatively good living conditions than the nearby *shikumen lilong* houses. According to a resident, the average living space per capita of the estate was about 26 m². The original terraced houses in ZHXC were constructed to very high quality. This quality can be gauged by the fact that of the forty per cent of dwellings in the estate which were under municipal management, they were allocated exclusively to government staff which has a rank above bureau chief. Normal staff members were not allowed to live here because this was considered a high-class (*gaodang*) residence.¹²³ Since the terraces were already equipped with a bathroom and a toilet on each floor, the pressure to share facilities in ZHXC was less intense than nearby *shikumen* dwellings.

The proposed CC estate was developed in two phases. Phase one covered half of the block West of ZHXC. The negotiation with residents from this section of the site took place between July 2002 and April 2003, which was followed by the complete demolition of existing houses. Phase two of the project included the entire Eastern half of the block. The negotiation took place between June 2006 and February 2007 (personal interview with RC, 14 Jan 2008). Negotiation and demolition of this phase started on the Northern end of the block.

The redevelopment started from the Western half of the block (see chapter 7 for the development process of CC estate). It was only after demolition had started on adjacent estates that residents in ZHXC found out that the entire block had originally been designated to become a heritage protection area. They were

¹²² The site of the temple was converted to Xing Ya Medical Factory during the socialist period. The monks were forced to convert to workers, and become factory employees. However, the main body of the temple was kept, and had been used as a storage space for raw materials.

¹²³ Personal interview with Mr Gu on 11 Jan 2008.

alerted by a local planning official, who while being sent to survey the historical pawn shop on this block, discovered about the district's intention to preserve the historical block. After some enquiry, residents discovered that a development coalition had been formed between high-ranking government officials and a wealthy and well-connected businessman in Shanghai. Consequently, the plan to preserve the site was dropped by the municipality. The block was subsequently allocated to this businessman cheaply, who quickly flipped the site to the eventual developer, making a substantial windfall in due process. In exchange, the coalition promised the developer political backing to carry out the development.

When the development moved to the Eastern half of the block, the developer started negotiating compensation with residents in ZHXC. Since residents had no intention of selling their dwellings, they rejected the developer's offer. The negotiation process was followed by a series of sweet coaxing and threats from the developer as it tried to make residents' to relinquish their dwellings. But the residents did not budge. In their resistance, ZHXC residents wrote petition letters to the highest ranking official in Shanghai. They pleaded for the demolition to be spared but to no avail. Subsequently, they tried to ascertain support from local architectural academics. Residents organised an event for local architectural scholars to visit the site and see the damages caused on heritage buildings. Finally residents protested on the site when the heritage buildings were threatened by demolition. Their resistance had made enough noise that a national TV programme even did an investigation on the project. All of these efforts came to no avail as the political support for the coalition was too great. But the resistance had delayed the demolition of their estate while the surrounding estates were cleared and demolished.

The pendulum finally swung the residents' way when a scandal involving the wealthy businessman (the core of the development coalition) erupted. The businessman was brought to a trial by disgruntled residents from a nearby

development over allegations of illegal land transaction and demolition.¹²⁴ These residents lost the trial. But the businessman was detained on the same day of the trial by the police to help with an investigation into his suspected fraudulent financial activities. Deciding to avoid any additional publicity at a sensitive moment, the coalition finally stopped pursuing ZHXC, and decided to develop around it.

Version 2

According to the RC, ZHXC residents resisted the developer's compensation offer in order to drive up their compensation. Their resistance and refusal to agree to the compensation both delayed and increased the costs of the development. Eventually the developer decided to exclude ZHXC and its troubling residents in its development, thus retaining the estate.

The RC was hired by the developer as a mediator to help negotiating compensation with residents. According to the RC, ZHXC residents rejected the offer from the developer. Residents used the argument of cultural preservation, citing the historical values of their dwellings, as a leverage to bargain for higher compensation (personal interview with RC, 14 Jan 2008). The developer, on the other hand, refused to increase the level of compensation, as it tried to prevent the knock-on inflation of compensation levels in the remaining areas on the block. Because residents withheld persistently from negotiation, the developer eventually decided to redesign a scheme which excluded ZHXC. The revised plan was subsequently approved by the district planning bureau. Upon hearing the news that a new proposal had been prepared, residents from ZHXC supposedly re-approached the developer hoping to be included back into the development. By this stage, the developer refused to draw up a new design (e.g. for the time and cost implications), and ZHXC were excluded from the final development.

According to this version, the retention of ZHXC did not represent a victory by

¹²⁴ See http://gb.cri.cn/1827/2004/06/01/405@180399_1.htm and <http://news.hexun.com/2008-09-17/108948203.html> both accessed on 3 May 2010.

residents to protect their estate, but is rather a consequence of miscalculated negotiation. From the perspective of the RC, ZHXC residents missed out on an opportunity to improve their living conditions.¹²⁵

Interpretation of events

In reality, there might be aspects of truth from both versions. Upon hearing the news of redevelopment, we cannot rule out that there might be two factions of residents within ZHXC. One faction might have preferred to stay put for various reasons (e.g. acceptable living conditions, afraid to relocate). These residents were later involved in the resistance. Another faction might have wanted to negotiate with the developer, and take the compensation like their neighbours from adjacent estates.¹²⁶ It is fair to presume that these residents were probably familiar with the compensation levels paid to their neighbours, and might have wanted to bargain more from the relocation process.

When the developer began negotiations with ZHXC, the two factions might have proceeded with their plans in parallel but coincidentally arrived at the same decision. For example, the first faction rejected the offer because they never wanted to be redeveloped in the first place. The second faction wanted to bargain for a higher compensation, so they also rejected the initial offer like the RC suggested. Hence there was a coincidence of decision, but based on different motives. When the second faction later approached the developer to renegotiate when they realised that the developer was not going to take the initiative, the timing could have coincided with the approval of the new development plan, or the eruption of the scandal. Both incidents could have led the developer to use 'disagreeable compensation' as a formal excuse to decline

¹²⁵ Personal interview with Mrs Shen on 18 Dec 2007.

¹²⁶ Opposing views towards relocation among residents are not uncommon. According to Mr Gu, although the nearby *shikumen* estates had been demolished and relocated, many families from there actually did not want to relocate. Because they knew with the level of their compensation, it was impossible to move back into the city. At that time, dwellings in ILC (a new development diagonally across the street) were selling around 15,000 to 18,000 yuan/m². Residents from this block only received 4,000 yuan/m² as compensation. Considering that most of these dwellings were modest in size, these families would have received a small sum of money as compensation. However it appeared that some residents from ZHXC also wanted to relocate. A resident reported that a number of families sold their dwellings early and pocketed decent amount of compensation of around 5 million for their houses.

residents' pleads for a renewed negotiation in order to quickly move on with the development process.

The reality of the process is difficult to obtain. If there was collusion between the government and the developer, their admission is inconceivable. On the other hand, residents who have remained in ZHXC were both the ones who wanted to stay, and the ones who wanted to be interviewed by the author. Therefore their account of the story might have been coloured by their ill feelings toward the developer/government coalition. Alternatively, residents who wanted to relocate had already departed by the time the study began, and hence could not be interviewed.¹²⁷ Finally, the RC was facilitating the negotiation process on behalf of the developer. It was difficult to place their allegiance i.e. whether with the developer/government or with the residents. Thus one has to maintain some reservation on the neutrality of their accounts of the story. Notwithstanding these conflicting stances, the case of ZHXC showed that a contrasting social juxtaposition has occurred through social conflicts between the developer and residents. It showed that neither the government nor the developer was able to dictate the residents of their fate. Contrary to earlier accounts of a powerful state and efficient relocation of residents during property-led redevelopment (see He and Wu, 2005), the actions of ZHXC residents were able to influence, and ultimately alter a planned redevelopment.

6.4.2 Old estates institutionally withheld from development

Old estates have been withheld from redevelopment for two main reasons: a) due to the consequence of scheduling by district governments or b) due to the development barriers posed by houses/estates with unresolved property rights.

Scheduling by district governments

Hengfeng Xiaoqu (HFXQ) belongs to this category. According to a senior official

¹²⁷ According to Mr Gu: "Chen Liang Yu's threat to demolish these houses made some residents sell their houses. Number 16, 22, 40, 8 were sold. They sold the entire building and they got great prices- around 5 million yuan each."

of the Jing'an District Planning Bureau, HFXQ has not yet been administratively brought onto the market for transaction (i.e. marked for demolition). Under municipal regulation, Suzhou River represents an important natural asset to the city. Any land in Shanghai that is in proximity to important natural features of the municipality must be administratively approved for release onto the land market with the approval from both the Municipal Land Resources Administration Bureau and the Municipal Planning Bureau. Consequently the approval processes for renewal are more complicated and have a longer timeline. Since HFXQ is not on the land market, developers cannot bid for its' development rights.

According to the current plan for Jing'an, HFXQ is scheduled for redevelopment between 2008 and 2013. In June 2009, the author found that the exteriors of dilapidated buildings in HFXQ had been renovated as part of the city's beautification effort for the coming 2010 Shanghai Expo. The renovation included repainting the facades and installing new sun shades over fenestrations. However, it did not upgrade the interior conditions. The modification suggests that HFXQ would be retained at least until the completion of the Expo.

Houses/estates with unresolved property rights

The second reason for withholding old housing from redevelopment relates to houses or estates which have unresolved property rights. Houses in this category are privately owned properties whose owners had fled China when the socialist government took over power in 1949. Since these dwellings were never nationalised by the state, the owners still possessed the legal property rights of these dwellings. From the perspective of the state, it has in effect, been 'looking after' these properties on behalf of the owners. Due to the housing shortage under socialist central planning, these dwellings had been subsequently rented out by the state to different families. Over time, these families had become sitting tenants. In Shanghai, central districts such as

Jing'an and Xuhui still have a large number of these properties.¹²⁸

Two barriers exist for the district governments to redevelop these dwellings. They are the ownership issue of properties, and the substantial costs involved in compensating and relocating the sitting tenants in case of redevelopment. The solution adopted by most districts so far has been to wait for the owner to reclaim their properties. At which point, the owner will be liable for the reallocation of incumbent tenants including their compensation, and the government will be able to claim back the maintenance costs that had incurred since 1949.

So far this has not led to many resolutions for a number of reasons. Firstly, owners are hard to track down after five decades of exile. Some are impossible to trace, while others might have died and their offspring has no knowledge of these assets. Secondly, some owners may have no desire to deal with these assets because they now live exclusively overseas. Thirdly, many owners who originally wanted to reclaim their asset are subsequently put off by the costs involved in the reclamation process. According to a local scholar, often the cost incurred to reallocate incumbent households into new dwellings is higher than the actual value of the dwellings themselves, making the process unprofitable.

At present, successful resolution has generally involved the owners donating their properties to the state. But such cases are limited. Therefore, lingering property right issues from the period of transition to the socialist regime still play a role in the reorganisation of urban space today. A good example in Jing'an district is Xingyuancun, a new-style *lilong* estate containing 200 households, which is located in the neighbouring block West of CC estate (Figure 6-11). The entire estate belonged to one family which has not yet resolved its property right issue. Consequently incumbent residents of lower socio-economic classes (similar to HFXQ residents) continue to live in the estate, which has now been surrounded by more upmarket housing developments (personal interview with a

¹²⁸ No proper figures could be obtained for this, but interviews with a local scholar - Associate Professor Tong Min from Shanghai's Tongji University, who has conducted several research projects in Shanghai's inner-city *jiedao* areas, suggested that the proportion is quite significant.

senior planning official from Jing'an District Planning Bureau). In the image, we can see the estate juxtaposed against an upmarket estate and a middle-income estate.

Figure 6- 11 Images of Xingyuancun



Source: author

6.4.3 Old estates institutionally preserved

Old estates in central Shanghai have also been institutionally preserved for two

reasons. This include those protected under the city's new heritage protection regulation launched in 2003, and those retained as affordable rental housing in response to the city's new affordable housing programme launched in 2007

Architectural and cultural preservation

In response to growing concerns over the demolition of heritage buildings during urban renewal, the SMG promulgated the "Shanghai Historical Cultural Areas and Outstanding Historical Building Protection Regulation" on 1st January 2003. The regulation established twelve preservation districts within the inner-city, containing 398 protected buildings in an area covering 27 km².¹²⁹ On 11th Sep 2004, the SMG issued Notice No. 31 which elaborated on the methods to enhance the protection of these areas and listed architecture. The notice stated that structures on the list must not be demolished or reconstructed, and that de facto owners of these structures (i.e. tenants or persons possessing the property rights) are responsible for their maintenance. Protected buildings included any garden villa, apartment, complete estates of new-style *lilong*, unique *shikumen lilong* and any other structure of unique historical or social significance built before 1949 and relevant structures over 30 years old.¹³⁰ To date this regulation has been enlarged to cover some 80 km² of the inner-city.¹³¹ The protection now covers 234 complete historical estates and 440 historical architecture groups with a total floor area of 10 million m².¹³²

The 2004 notice contained stringent rules on the preservation of identified building and estates. These rules control not only the exterior appearance of buildings (material, height, roof pitch, colours), but also their interior uses, public spaces, green areas between existing structures, and the size and dimension of adjacent new developments (Zhou *et al.* 2007). Buildings within protection

¹²⁹ See http://news.xinhuanet.com/newscenter/2005-01/04/content_2415700.htm accessed on 15 Aug 2008

¹³⁰ See

<http://www.shanghai.gov.cn/shanghai/node2314/node2319/node11494/node12331/node12343/node12657/userobject26ai2166.html> accessed on 15 Aug 2008

¹³¹ including areas of Pudong which are within the inner ring road, plus Caoyang area beyond the inner ring-road in Yanpu district

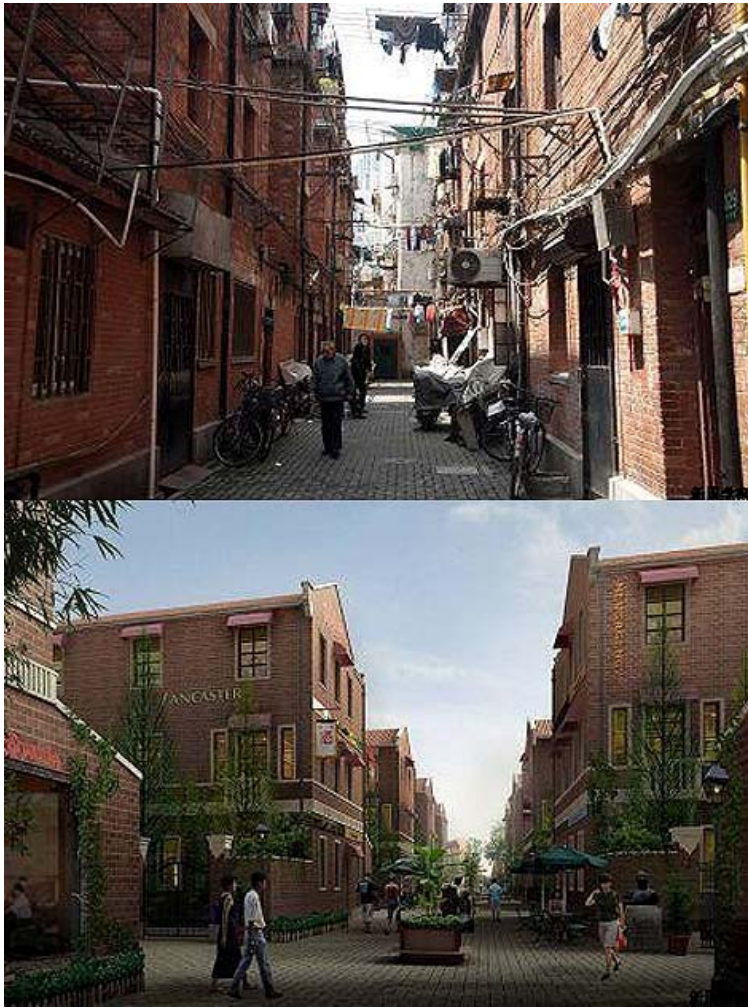
¹³² See <http://www.shbsgh.gov.cn/60/47/54/20088654238.html> accessed on 15 Aug 2008

zones that are deemed to disrupt the original characters of the architecture of the area will be modified according to preservation guidelines or be demolished. In the strictly preserved or rehabilitated dwellings/estates, the existing residents (usually the lower socio-economic tenants in municipal housing) are allowed to remain indefinitely.¹³³ In such instances, when adjacent land plots of protected area/architecture are developed into upmarket commodity housing, a socially mixed neighbourhood can emerge. One relevant example in Jing'an district is Jing'an Villas (Figure 6-12), the largest new-style *lilong* estate preservation and rehabilitation project in Shanghai, where a proportion of original residents have been retained. Located at the heart of upmarket Nanjing Rd commercial centre, it sits among 5-star hotels, upmarket apartment hotels and luxury shopping centres (http://www.sinology.cn/news/2008/mfms/200907/mfms_42493.shtml accessed on 21 Nov 2009).¹³⁴

¹³³ But once they move out voluntarily (i.e. upgrading to a better dwelling on the market), the dwelling will not be reassigned new tenants (Personal communication with a senior planning official from Jing'an District Planning Bureau on 17 Oct 2010)

¹³⁴ Other protected old-style *lilong* estates in Jing'an district included Yugucun in Yuyuan Rd, Shimin model neighbourhood in Yan'an Rd, Huajing Xiaoqu on Fumin Rd, and Daihua Xingcun and Huayie Xiaoqu on Nanjing Rd (Personal communication with a senior planning official from Jing'an District Planning Bureau on 14 Nov 2009).

Figure 6- 12 Images of Jing'an villa



Source: http://www.sinology.cn/news/2008/mfms/200907/mfms_42493.shtml accessed on 21 Nov 2009

New affordable housing programme

Since January 2009, various district governments in Shanghai have begun to preserve existing old estates as a strategy to secure the supply of affordable rental housing. The precursor to this lies in October 2007, when Shanghai launched a city-wide new affordable housing programme- Shanghai Economic and Functional Housing (*jinji shiyong fang*). The principle of the programme is to enlarge the city's supply of affordable housing in the wake of rapidly rising housing prices. The strategy calls for the enlargement of the city's affordable rental housing stock and expanding the development new affordable

(purchased) housing for Shanghai's low-income earners.¹³⁵ The new affordable housing construction will concentrate in areas of good transportation connectivity in Shanghai's middle and outer ring road locations (i.e. out of central Shanghai). The construction began with three trial projects in Xuhui, Pudong and Minhang districts. Shanghai aimed to develop 300,000 units or 20 million m² of affordable housing by 2012 (<http://sh.eastday.com/qtmt/20091230/u1a675534.html> accessed on 5 May 2010).¹³⁶

In accordance with the programme, Jing'an district government started in January 2009 to retain several existing municipal housing estates as its affordable rental stock, therefore preventing these from redevelopment (Personal communication with a senior planning official from Jing'an District Planning Bureau, 17 Nov 2009). Other district government such as Xuhui have also launched similar initiatives (Personal interview with a senior planning official from Xuhui District Planning Bureau, 30 July 2009). Like the preservation regulation, the aim of this programme was not to foster mixed neighbourhoods. But in central Shanghai, surrounding plots to these low-income estates tend to become upmarket commodity development. The incumbent residents in preserved estates or newcomers in affordable housing will create sharp contrasts with their immediate neighbours and contribute to mixed neighbourhoods.

In addition, in the 2009 (No. 4 notice) released by the SMG on 4 Feb - titled "Notice Regarding the Further Progress of Shanghai's Old District Renewal" – contained a key change in policy recommendation, which is a new call for each district government to prepare small sized dwellings for the reallocation of

¹³⁵ See http://www.shfg.gov.cn/fqdoc/wsdw/jjsy/zqyig/200911/t20091106_331451.html accessed on 5 May 2010.

¹³⁶ The most advanced project, Huajing in Xuhui expects to hand-over completed dwellings before Nov 2010 (<http://whb.eastday.com/w/20091210/u1a666259.html> accessed on 5 May 2010). In the inner-city, the latest 5 year plan of Jing'an district has designated three plots for affordable housing development. These are plot No. 105 on the north eastern junction of Cangping Rd and Jiaozhou Rd, plot No. 118 on the south eastern junction of Kanding Rd and Wuning Rd, and plot No. 103 on the north western junction of Xikang Rd and Kangding Rd. The plots have a FAR of 3, and a combined floor area of 300,000m². Development of plot No. 105 has already begun (Personal communication with a senior planning official from Jing'an District Planning Bureau on 17 Nov 2009).

people affected by urban renewal within their jurisdiction- called small scale near-by reallocation housing (*xiaohuxing joujing anzhi fang*).¹³⁷ The call recognised the needs of certain residents to live close to their original addresses (e.g. those needing the care of near-by residents/carers, or people with needing special access to certain facilities such as hospitals), and who are less demanding on the size of their dwellings. Effects of this change have yet to be seen, but it signals another potential for cheaper, affordable housing to be constructed in prime central areas.

6.5 Conclusion

This chapter has explored the old, traditional estates in Shimen neighbourhood in detail. In particular, it has examined their physical and living conditions, the intra-estate social interaction among residents, and mechanisms responsible for the retention of old estates in central Shanghai.

HFXQ and ZHXC contain a cross section of housing types typical of Shanghai's traditional estates including 1900s *shikumen* houses, pre-1949 terraces, and 1970s workers' apartment blocks. Inside these dwellings, problems of residential crowding and facilities shortage from the socialist period have persisted. Most households occupied a single room subdivided from a larger house, sharing the house with multiple families. Small dwellings combined with larger family sizes meant that the space per capita was close to or below the city's average. The spatial constraints had often lead families to appropriate public spaces or modify their dwellings to maximise utility and storage. The lack of private amenities due to housing densification meant that most families still have to share toilets, bathrooms and kitchens. The overall living condition was poor from years of under-maintenance. Dwellings often suffered from broken windows, poor thermal and sound insulation, and deteriorated structures.

¹³⁷ See

<http://www.shanghai.gov.cn/shanghai/node2314/node2319/node11494/node12331/node12343/node22595/userobject26ai17516.html> accessed on 30 Mar 2010

The social interaction among these residents can be said to be fairly strong. The strong communal living ethos that had been installed during the socialist period can still be found. In the past, the close live/work relationship due to the socialist housing system (Wu, 1996), the shortages of space, facilities and materials, and limitations in mobility and telecommunication, and restrictions over individual's spare time (Whyte and Parish, 1984; Friedmann, 2005) had created a relationship bias on local social relations. After market reforms, one can expect limitations such as material shortage, mobility and transportation to be weakened, which should enhance individual's ability to form distant social relations. However many aspects of the past living conditions still remain in these estates. Firstly, space and facility shortage have persisted. Secondly, the same residents have continued to live in these estates (i.e. residential stability). Their low income and old age means they are either unable to, or are less inclined to relocate. Thirdly poverty and related material shortage means that residents still rely on mutual help as a coping strategy. These factors have combined to ensure that many of their past social behaviours have been retained.

Residents mainly perceived close by residents such as those living in the same building or adjacent buildings as neighbours. They predominantly interact with these residents, but some would also interact with residents from their resident committee (i.e. larger coverage area). They are open to interaction with neighbours, and have shown strong willingness to participate in estate activities. This is perhaps a lingering habit from the past of participating in community mobilisation activities (Chan, 1993). Strong social interaction is evident as residents have a fairly good knowledge of neighbours. They frequently engaged with neighbours and generally involved neighbours in their daily social routines. However the depth of their social interaction is weaker than anticipated. While acts of greeting are highly practiced by residents, chatting is practiced by a lower proportion (between high and moderate level). Other deeper forms of interaction such as discussion of issues or participating in same hobbies are practiced by an even lower proportion of residents (at a low level). However, the inter-dependency on neighbours is strong. This is reflected in the identification

of neighbours as one of their top three choices of help, and in their frequent exchanges of mutual help. Contrary to previous research, frequency of conflicts is rare. But causes of conflicts concur with past findings e.g. the persistence of residential crowding and material/facility shortage. But overall, the strong social interaction found here echoed findings from traditional estates in other post-reform Chinese cities such as Nanjing and Guangzhou (Wu and He, 2005; Forrest and Yip, 2007). It also support findings of Wu and He (2005) that neighbours still play an important part in the survival of the disadvantaged social groups (old and poor) in traditional estates.

Three broad mechanisms have been found to contribute to the retention of these estates in central Shanghai. They encompass a variety of unrelated intentions. Resident resistance to redevelopment is caused by the drawbacks of the non-participatory nature of the current housing redevelopment procedure, corruption between officials and developers, and conflicts over compensation. In the case of ZHXC, persistent resistance had ultimately forced the developer to alter the development scheme and retain the estate. The institutional withholding of land parcels for redevelopment is illustrated by HFXQ. Its retention relates to the government's concerns over sites close to key municipal natural features which required lengthy planning and consent processes. On the other hand, the withholding of dwellings/estates of unresolved property rights from redevelopment (and therefore their retention) exposes another barrier to redevelopment which is rooted in China's history. The two remaining retention mechanisms are based on independent, but increasingly acknowledged areas of urbanisation: one on heritage preservation and another on affordable housing. Houses and estates falling under these criteria are institutionally protected from redevelopment. The former is less focused on the protection of original residents; nevertheless, the incumbent residents are allowed to remain, while the latter is specifically designed to keep the incumbents residents. Overall, the retention of traditional estates in central Shanghai is the result of the interplay among these disparate and uncoordinated mechanisms. Until social mix becomes a specific development agenda, the current social mosaic will continue to be an unintended and accidental outcome of these independent

mechanisms.

After the examination of the traditional estates, the next chapter (7) will explore the upmarket commodity estates in Shimen neighbourhood. The same structure will be used to analyse their physical and interior living conditions, intra-estate social interaction among the residents, and the mechanisms for their development.

7 Upmarket estates

7.1 Introduction

The previous chapter has analysed the traditional estates in Shimen neighbourhood. In particular, three aspects of these estates were explored: a) the physical and living conditions of the dwellings, b) the intra-estate social interaction among their residents, and c) mechanisms which have contributed to their retention in central Shanghai. This chapter will now shift the lens on to the upmarket estates in Shimen neighbourhood. ILC and CC estate have been developed after 2000, and were developed under the post-2001 housing renewal initiative - NRRI. Both estates provide much superior physical and living conditions than the traditional estates, and contain wealthier households.

Focusing on the same aspects explored in chapter 6, specific questions investigated in this chapter are:

- a. What are the physical conditions of dwellings in upmarket commodity estates? What kind of living conditions do they offer? Chapter 5 has already introduced the spatial attributes of each estate and the public amenities found in them. This chapter will focus more on the physicality of dwellings themselves. It aims to generate a better understanding of the residents' living conditions, using data from the surveys, floor plans, and photos of their interiors.
- b. How do residents in upmarket estates interact with neighbours from their own estate? We still know very little about the local social dynamics of these residents in post-reform China. Existing studies on luxury gated housing estates had focused on other areas, such as enhanced estate facilities, cultural and aesthetic design in relation to the client niche (new urban elites) and marketing strategies, increased awareness of security like the gated

communities of the West, and the filtering of housing affordability contributing to social segregation in urban China (see Wu and Webber, 2004; Y. Huang, 2005; Wu, 2005, 2006; Giroir, 2006). Several other studies on social interaction have found weakened social dynamics in China's newer, high-rise commodity estates compared to traditional housing estates (Hu and Wu, 1997; Wang, 2002; Forrest and Yip, 2007). However, none of these provided data exclusively on upmarket estates. Using a consistent set of indicators as those used in chapter 6, this chapter aims to understand more about their social dynamics, and to offer a better comparison of behavioural differences to those living in traditional estates.

- c. What are the key forces and mechanisms leading to the development of upmarket estates in prime central locations? Past studies on the urban development processes have illuminated the development of a growth coalition between the government and private developers in post-reform China, the use of preferential policies by the government to assist the development of upmarket estates, and the social impacts from such developments (see Zhu, 1999b, 2002; He and Wu, 2005, 2007). However, factors and mechanisms that affected the decision making of developers to raise the quality and prices of their products have yet to be illuminated. Understanding these is important, as they contribute to the growing physical and social differences among estates in mixed neighbourhoods.

This chapter is organised into 5 sections. After this introduction, section 2 explores the physical and living conditions provided in dwellings in upmarket estates. It includes a brief recap of the socio-economic attributes of their residents, and an examination of their physical features including layout, furnishings, and building materials, and indicators such as the possession of bedrooms, amenities and space per capita. Section 3 explores the intra-estate social interaction among these residents. It examines residents' dynamics of interaction. Section 4 explores the mechanisms which contribute to the development and the proliferation of upmarket estates in central Shanghai, which are integral to the formation of mixed neighbourhoods. Section 5

concludes the chapter with a summary of the key findings.

7.2 Physical and living conditions

7.2.1 Recap of residents' socio-economic characteristics

As discussed in Chapter 5, residents in these upmarket estates have relatively high socio-economic status. ILC was a wealthy estate. The mean age of household heads was 57. Almost half of the household heads were between 46 and 60 years old. 38 per cent of the households here earned relatively high incomes of between 150,000 and 29,999 yuan/month and another 25 per cent earned more than 30,000 yuan/month. Nevertheless, a minority of about 10 per cent earned quite low incomes of less than 2,999 yuan/month - i.e. less than 1/10 of the higher earners living in the same estate. These were likely to be 'returnee' households i.e. original households who were offered the chance to purchase a flat at discounted price on the site during the redevelopment process (more in section 7.3). Most of the residents surveyed have a Shanghai household registration. Although this is due to the sampling bias, as almost 40 percent of the dwellings in ILC were reportedly occupied by foreigners.

CC was even more homogeneously wealthy. The mean age of respondents was 45. Almost 60 per cent of the household heads were between 26 and 45 years old, which represents a much younger population than ILC. The vast majority of households (88%) reported earning very high incomes of more than 30,000 yuan/month. It was also notably comprised of a high proportion of residents from outside of mainland China. 74 per cent were from Hong Kong, Taiwan or Macao (58% from Taiwan alone), and 2 per cent were foreigners. Only about 15 per cent of the households have their *hukou* registration in Shanghai.

According to the survey, 97 per cent of the households in ILC were property owners, and 100 per cent in CC.¹³⁸ Furthermore, around 20 per cent of the households in each estate owned two properties in Shanghai. Residents in both

¹³⁸ The figure on ILC is again due to the sampling bias as a high proportion of renters exist in the estate.

estates tend to be well educated - well above the city's average. The share of respondents who possessed a university degree or a post-graduate degree was 70 per cent in ILC, and even higher at 81 per cent in CC. Nevertheless a minority of the households also reported lower educational backgrounds. For example, 7 per cent reported having only high-school education in CC, and 10 per cent in ILC. Many heads of households occupied relatively high positions in the labour market. For example 42 per cent in ILC and 44 per cent in CC were principals or senior directors at work. Others were mostly mid-level management or administrative/technical staff. In ILC, most respondents worked for state-owned enterprises (24%), foreign enterprises (49%) or government departments (12%). In CC, many worked in foreign enterprises (34%), joint venture firms (12%) or had their own businesses (54%). Unemployment rates were low in these estates, being 3 per cent in ILC and zero in CC.

7.2.2 Housing types and physical conditions

Both estates contain high-rise apartment towers, which characterise the typical housing type found in upmarket commodity estates in central Shanghai. In post-reform China, exclusive gated communities generally target a niche market of urban elites. Great public facilities have often been internalised in the estates (e.g. club houses and gym) to attract the imagination of the increasing middle classes (Wu, 2005). Lavish provision of estate amenities and design features are also reflected in the internal conditions of apartments, offering high quality living. These can be found in ILC and CC.

International Landoll City (ILC)

The three phases of development of ILC contains a total site area of 13 hectares and a total built floor area of 270,000 m². Since the first phase of development went on sale on 1 July 2004, it has been marketed as one of the most sought after luxury apartments in central Shanghai. The residential towers are between 19-35 storeys, which contain approximately 1,100 apartment units and 180,000 m² of residential floor space (Figure 7-1).

Figure 7- 1 Residential high-rise towers in ILC



Source: author

A range of unit types are offered in ILC ranging from 1-bedroom (80 m²) to the largest 6-bedroom (345 m²) units. The majority on offer were three-bedroom (177 m²) and 4-bedroom (202 m²) apartments. Both of which include a room for a 'nanny'.¹³⁹ Figure 7-2 shows a range of apartment layouts in ILC. The top image shows a more desirable 2-bedroom plus 1-study apartment layout with through ventilation and a smaller 2-bedroom apartment layout with less desirable ventilation (i.e. shown in dark grey). The bottom image shows the more common 3-bedroom apartment in which the study could be used as a nanny room. Much thought has been placed on the positioning and spacing of towers so that most apartment units would have at least two external façades (often three), which would yield better natural lighting and natural ventilation (see section 7.3 for other design manoeuvres to enhance their appeal and market value).

Each of the apartments has a floor-to-ceiling height of 3 metres, and is equipped with state-of-the-art central heating, and imported boiler. Figure 7-3 shows the interiors of a 2-bedroom apartment on sale. It is fitted with all the

¹³⁹ <http://shanghai.souwoo.com/property/view/8352/> accessed on 28 Nov 2009

modern equipments in the kitchen and bathroom. In contrast, figure 7-4 shows the interior conditions of a 6-bedroom apartment on sale. The differences in size and standard of furnishings could be seen in the dimensions of rooms and the more lavish bathroom fittings.¹⁴⁰

Figure 7- 2 Plans of apartments in ILC



Source: Jing'an District Planning Bureau

¹⁴⁰ Residents did not agree to be visited by the author; therefore images of interiors had to be obtained from websites of real estate companies.

Figure 7- 3 Interior of a 2-bed apartment in ILC



Source: http://ershoufang.haozhai.com/sunpan_show_4425.html, accessed on 17 April 2009

Figure 7- 4 Interior of a 6-bed apartment in ILC



Source: http://ershoufang.haozhai.com/sunpan_show_7053.html, accessed on 17 April 2009

City Castle (CC)

CC occupies a site of about 3.5 hectares. The first phase of development, completed in 2006, consists of five high-rise apartment buildings of between 18 to 27 storeys (Figure 7-5).¹⁴¹ One of the towers (Tower E) was later reserved as a serviced apartment by the developer. The 4 remaining towers contain a total of 292 apartment units and a combined residential floor area of about 54,000 m². The design was carried out by an international team to enhance the quality of the product. These included architectural design by M+L Architecture Design office from Hong Kong, landscape design by US-based TOPO Landscape Architecture + Environment Planning + Urban Design, and lighting design by

¹⁴¹ Phase 2 of development was still under construction at the time of writing this thesis. The completion date was originally set to be towards the end of 2010.

Taiwan's award winning Chroma33 Architectural Lighting Design Inc.

Figure 7- 5 A residential tower in CC



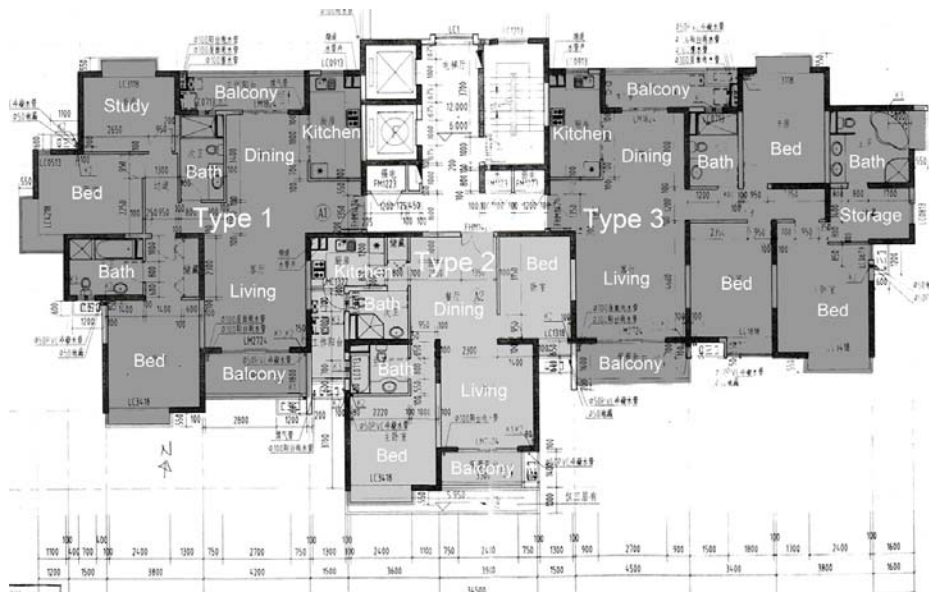
Source: author

A range of unit types are offered in CC ranging from 2-bedroom (2 bathroom) units of 101 m² to very large 5-bedroom (4 bathroom) units of 331 m². Each apartment contains modern amenities and its own balconies. Figure 7-6 shows some of the layouts of apartments. Types 1 & 3 are variants of 3-room apartments with an open plan living and dining spaces. These offer housing area/dwelling areas of 158 m²/129 m².¹⁴² Type 2 is a smaller 2-room apartment with a housing/dwelling area of 114 m²/98 m². East-facing apartments in CC cost 3,000 yuan more per m² than West-facing apartments due to better orientation.¹⁴³

¹⁴² Housing areas include public amenity spaces such as fire escapes and elevator landings, which are included in the calculation of the dwelling price. But the actual dwelling areas, which exclude these areas, represent the actual living areas to the residents, and are much smaller than the housing areas.

¹⁴³ Apartments on the fourth and thirteenth floors also cost less due to Chinese superstitions (personal interview with a sales representative on 15 June 2007).

Figure 7- 6 Plans of apartments in CC

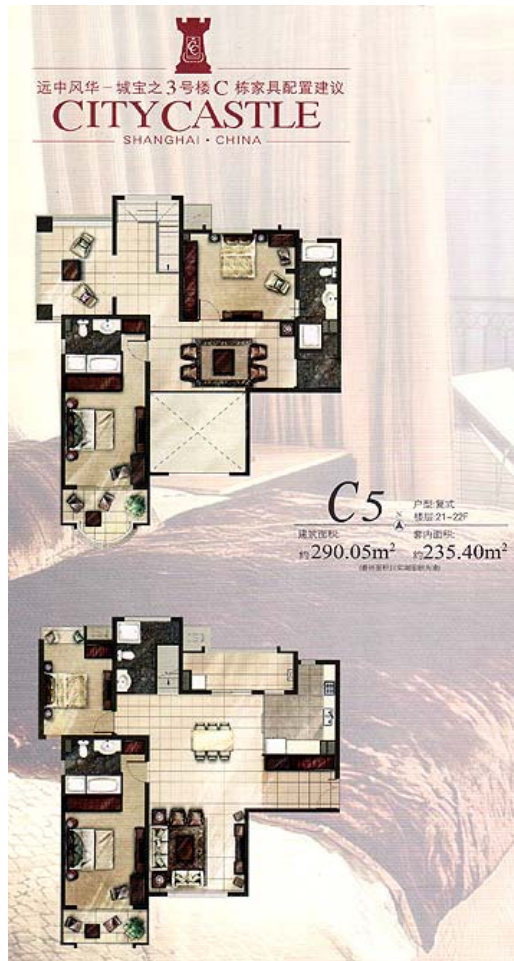


Source: Jing'an District Planning Bureau.

Figure 7-7 shows the plans of a penthouse apartment in CC in tower C, with suggested furnishing scenarios by the developer. The penthouses are two-story duplexes which offer a building area of 290 m² and a dwelling area of 235 m². These were all sold unfinished (*maope*) because the developer's own market research had indicated that high-end buyers prefer to carry out interior renovation to their own specific standards.¹⁴⁴

¹⁴⁴ Personal interview with a sales representative on 15 June 2007

Figure 7- 7 Plans of a penthouse apartment in CC



Source: CC sales brochure

According to a senior manager from the developer, Towers A and B were sold as unfinished (*maope*) apartments. Towers C and D were sold as fully finished apartments (*chen wu*).¹⁴⁵ All the apartments in CC have a ratio of actual usable area to public utility areas of 80/20, making it one of the most spatially economic purchases in Shanghai.¹⁴⁶ Each apartment has a floor-to-ceiling height of 3 metres, and is equipped with double glazing and under floor heating in bathrooms. The finished apartments come with marble floors throughout, except for the bedrooms, which have timber flooring. The central air-conditioning was provided by Japanese brand Daikin (a top brand) and the kitchens were fully fitted with modern appliances. Figure 7-8 shows the interiors of a standard finished apartment on sale, which was bright, airy and finished to a very good

¹⁴⁵ Personal interview on 15 Jan 2008.

¹⁴⁶ The balance is generally 70/30 according to the sales assistant.

standard. The rooms were spacious, and modern fit-outs were used in the bathrooms and kitchen.

Figure 7- 8 Interior of an apartment in CC



Source: author

Residents also enjoy access to its private club house located within the compound, which has a heated swimming pool, sauna, gym, table tennis room, billiard room, multi-function activity room, and a coffee bar. Except the pool, all

the facilities have been included in the monthly service charge (4.3 yuan/m²/month). The use of the pool is 50 yuan per visit, or 1,800 yuan for a year's usage.¹⁴⁷

7.2.3 Living conditions: spacious dwellings and modern fit-outs

Table 7-1 shows the living conditions of these upmarket estates. The average household living space in ILC was 138 m², with the minimum being 80 m². Most families possessed a three- or two-bedroom apartment (49% and 45% respectively). With an average household size of 2.3 persons, the per capita living space averaged 73.3 m², which vastly exceeded Shanghai's 2006 average of 16 m² (SSB, 2007). Every household possessed modern amenities such as a bathroom, indoor WC, kitchen, air conditioning, telephone, internet, gas, water and electricity. Similar conditions of living are found in CC. Here the average household living space was 131 m², and the minimum was 110 m². The majority of households (72%) possessed a 2-bedroom apartment. With an average household size of 2.6 persons, the average per capita living space was 59 m², which also greatly exceeded Shanghai's average. Every apartment contained modern amenities such as a bathroom, indoor WC, kitchen, air conditioning, telephone, internet, gas, water and electricity. Overall, they offer much improved conditions of living than the traditional estates. The spaciousness of the apartments in new upmarket commodity estates must have played a significant role in raising the average living space figure of Shanghai, judging from the fact that some residents in traditional estates still live in very tight conditions.

¹⁴⁷ Personal interview with a sales representative on 15 June 2007

Table 7- 1 Upmarket estates: living conditions

Estate	CC	ILC
Size of dwelling (m²)		
Mean	130.7	138.0
Maximum	170.0	207.0
Minimum	110.0	80.0
Number of bedrooms in dwelling (%)		
1	0.0	1.4
2	72.1	45.1
3	27.9	49.3
4	0.0	2.8
5 and more	0.0	1.4
Average No. of bedrooms	2.3	2.6
Average household size (mean)	2.6	2.3
Floor area per capita (m²)		
Mean	58.5	73.3
Maximum	150.0	177.0
Minimum	29.0	24.5
Possession of living room (yes) (%)	100.0	100.0
Possession of private amenities (%)		
Bathroom	100.0	100.0
Toilet	100.0	100.0
Kitchen	100.0	100.0
Water	100.0	98.6
Electricity	100.0	100.0
Gas	100.0	100.0

7.3 Intra-estate social interaction

We still know very little about the social dynamics among residents in new upmarket estates. A limited number of comparative studies between traditional and new estates in post-reform China had shown a weakened degree of social interaction and knowledge of neighbours in new commodity housing (Wang, 2002; Forrest and Yip, 2007). But a comprehensive study on their behaviours in social interaction is still lacking. In order to assist the comparison with traditional estates, similar areas of residents' social engagements are explored here. These include:

- Residents' definition of neighbours and attitudes toward interaction
- Residents' knowledge of neighbours
- Residents' activities and modes of interaction with neighbours
- Mutual help and conflicts among neighbours

Before the analysis begins, two reminders have to be offered to readers. Firstly, due to the development criteria used in ILC, the estate contains a small proportion of returnee residents. However, the proportion of returnees in ILC

represents less than five per cent of its total households. Spatially, these returnees have been consigned into a single residential tower. Therefore the predominant social behaviour and interactive habits of the majority of residents in ILC are attributed by newcomers (i.e. non-returnees). Socio-economically, these residents are younger, wealthier have higher social statuses, and have been living in the neighbourhood for a shorter duration than the returnees. Consequently they have distinctively different interactive behaviours to returnees. Due to the limited presence of returnees in ILC, the indicators of their social behaviours will be included in the tables for reference, but will not be discussed. For a detailed analysis of the social interactive behaviour of returnees, see next chapter on the middle-income estate XFKL, which has an almost even split of returnees and newcomers as residents. The behavioural differences between the two social groups will be further compared and contrasted there. The behaviours of returnees in ILC are similar to the returnees in XFKL. These residents share similar socio-economic attributes, and have both lived in the neighbourhood for decades and thus have well developed social networks.

Secondly, according to manager of the housing management company of ILC, between thirty to forty per cent of dwellings in ILC are rented out to foreigners, who represented about ninety per cent of the renters in the estate (Personal conversation on 30 June 2008). Many of these foreigners are expatriate workers on short-term job contracts, which could potentially contribute to fewer incentives to foster social interaction with neighbours due to their transient nature of stay. Moreover, the language barrier between foreigners and their Chinese neighbours can also potentially deter interaction between the two groups. Because the study had under sampled foreigners in ILC (see chapter 1), the actual extent of social interaction in ILC is likely be weaker than the data will illustrate. As sampled households are mostly Chinese nationals, they will not have the language and cultural barriers for social interaction to take place.

7.3.1 Perceived neighbours and attitudes toward interaction

Table 7-2 shows the residents' definition of neighbours and their attitudes toward interacting with neighbours. Residents in upmarket estates have an even smaller mental area for neighbours compared to residents in traditional estates. The majority for both estates only considered residents living in close proximity as their neighbours. The vast majority of residents in CC (74%) perceived only residents living on the same floor or next door to them as neighbours. A small majority in ILC (47%) had a slightly larger mental area, perceiving residents from their building as neighbours. However, significant proportion of residents here (35%) also possessed a small mental area for neighbours (i.e. residents living on the same floor or next door). Regarding the perception on the interaction with neighbours, the vast majority from CC (70%) was open to the idea, so was a small majority in ILC (38%). The remainder of the estate was split quite evenly with people who were open to the idea (31%) and those who did not care about the issue (27%). ILC probably had a higher proportion of supporters for neighbourly interaction due to its higher proportion of Shanghai origin residents in the sample, who were potentially more accustomed to strong neighbourly bonds from their past experiences of *lilong* living. Compared to traditional estates, residents here were also less willing to take part in estate activities with a lower proportion of residents who were out rightly willing to participate. The majority in CC (37%) expressed their willingness to participate pending on availability. The majority in ILC was split between those who had no time to participate (34%), and those who were out right willing (32%). The latter was again probably related to the residents who had experienced *lilong* living. There was also a significant proportion of residents (18%) who did not care about the issue. Overall, these residents appeared to be open to interaction with residents, but were less willing to take part in estate activities than residents in traditional estates.

Table 7- 2 Upmarket estates: definition of neighbours and attitudes toward interaction

(%)	CC	ILC newcomers	ILC returnees
Who do you perceive as neighbours?			
Only people living next door, or on the same floor	74.4	34.5	12.5
Only occupiers of the same building	23.3	47.3	50.0
Occupiers of adjacent buildings	0.0	7.3	0.0
Occupiers in buildings of the same estate	2.3	7.3	0.0
People belonging to the same RC	0.0	3.6	37.5
View on interaction with neighbours?			
Absolutely necessary	25.6	38.2	43.8
Can have some interaction	69.8	30.9	43.8
I don't care	4.7	27.3	12.5
Unnecessary	0.0	3.6	0.0
Would you take part in activities organised by your estate?			
Yes, I'm willing	25.6	32.1	85.7
Yes, but have no time	32.6	33.9	14.3
Yes, if it doesn't clash with my schedule	37.2	14.3	0.0
Yes, I see it as compulsory	0.0	0.0	0.0
I don't care	4.7	17.9	0.0
No	0.0	1.8	0.0

7.3.2 Knowledge of neighbours

Table 7-3 illustrates the residents' knowledge of their neighbours. Respondents were asked how many neighbours they know from their estate, excluding family and relatives. Overall these residents appeared to have significantly less knowledge about their neighbours than residents in traditional estates. The vast majority in CC reported to know no neighbours at all. While the majority in ILC reported to know less than 10 neighbours. In both estates, very few residents knew more than 30 neighbours (0% in CC and 5% in ILC).

However, residents appeared to have some knowledge about their neighbours. They were asked to evaluate their knowledge on their neighbours' names, work information and personal preferences. The majority from both estates reported to know some of this information (49% in CC and 63% in ILC). But these proportions were significantly lower than those found in traditional estates. Moreover, both estates had quite high proportions of residents who knew nothing about their neighbours. 52 per cent of residents in CC and 30 per cent of residents in ILC belonged to this category. The knowledge of neighbours found here was much weaker than traditional estates.

Table 7- 3 Upmarket estates: knowledge of neighbours

(%)	CC	ILC newcomers	ILC returnees
How many neighbours do you know in your estate? (Excluding family and relatives)			
None what so ever	68.3	19.6	0.0
< 10 people	31.7	55.4	50.0
Between 10 & 29 people	0.0	19.6	25.0
Between 30 to 99 people	0.0	5.4	25.0
More than 100 people	0.0	0.0	0.0
Do you know about your neighbours' names, work and personal preferences?			
All of these	0.0	0.0	0.0
Most of these	0.0	7.4	0.0
Some of these	48.8	63.0	93.8
None of these	51.2	29.6	6.3

7.3.3 Interaction with neighbours

Table 7-4 shows the residents' interaction with neighbours from their own estate. As opposed to traditional estates, neighbours did not appear to be an integral part of residents' daily routines in upmarket estates. The majority of residents from both estates reported to have 'almost never' or 'never' interacted with neighbours (88% in CC and 54% in ILC). Moreover, the majority of residents only interacted, when it happened, with nearby neighbours, which was also different to traditional estates. The majority of residents in both estates only interacted with neighbours from their floor or next door (80% in CC and 46% in ILC), while the second majority in ILC interacted with neighbours from their own building. In contrast to traditional estates, almost no residents reported to interact with people from their resident committee (only 9% in ILC). This suggests that the concept of the RC as a neighbourhood unit is much weaker in new upmarket estates.

In addition, residents were asked about their spare time activities. Respondents were able to select multiple activities on the questionnaire which fit their usual spare time routines. The two most popular were solo activities (72% in CC and 56% in ILC) and spending time with friends/family (72% in CC and 78% in ILC), which did not involve neighbours. These findings corresponded with answers from traditional estates. But the proportion of residents selecting these answers in upmarket estates was significantly higher than the two traditional estates.

Moreover, very few residents reported to interact with neighbours. In CC, none of the residents interacted with neighbours in their spare time. In ILC, only 8 per cent of residents reported to take part in estate activities, and 2 per cent reported to interact with neighbours in their spare time. Again the slightly higher proportion of residents who engaged with neighbours during their spare time in ILC was probably due to its larger proportion of Shanghai origin population, who had experienced living in traditional *lilong* or socialist workers' apartments.

Table 7- 4 Upmarket estates: interaction with neighbours

(%)	CC	ILC newcomers	ILC returnees
Frequency of interacting with neighbours			
Everyday	2.3	8.9	50.0
A few times a week	2.3	14.3	18.8
A few times a month	7.0	21.4	18.8
Almost never	55.8	53.6	6.3
None at all	32.6	1.8	0.0
Almost never & none at all	88.4	55.4	6.3
Who do you interact with regularly?			
Only people living next door, or on the same floor	79.5	46.4	18.8
Only occupiers of the same building	17.9	41.4	31.3
Occupiers of adjacent buildings	0.0	3.6	12.5
Occupiers in buildings of the same estate	2.6	0.0	12.5
People belonging to the same RC	0.0	8.9	25.0
What do you usually do in your spare time? (Yes)			
Solo activity	72.1	56.4	25.0
Take part in activities organised by the estate	0.0	9.1	75.0
Interact with neighbours (chatting, playing cards etc)	0.0	1.8	6.3
Spend time with friends/family	72.1	78.2	37.5
Other	27.9	20.0	18.8

Likewise, the convivial atmosphere often observed in the public spaces in traditional estates is hard to be observed in upmarket estates. Table 7-5 indicates where respondents spent most of their spare time. The previous chapter had shown that about a fifth of residents in the traditional estates reported to spend most of their spare time in the public spaces of their estates. Over here, only 2 and 6 per cent of the residents from CC and ILC respectively have this habit. When residents did use the public spaces, they were not often observed to be mingling. In fact, the majority of resident from CC (84%) stayed at home, while the majority from ILC (62%) ventured out of their estate during their spare time, which did not contribute to chances of casual social interaction

within their estates.¹⁴⁸

Table 7- 5 Upmarket estates: where residents spend most of their spare time?

(%)	CC	ILC newcomers	ILC returnees
At home	83.7	32.7	26.7
In the estate's public area	2.3	5.8	60.0
Outside of the estate	14.0	61.5	13.3

Depth of social engagement

Table 7-6 shows the depth of social engagement practiced by residents. The same table from Chapter 6 has been used, which indicates progressively deeper levels of social engagement between residents. As with chapter 6, a high proportion of resident engagement involves the practice of more than 50 per cent of the residents, a moderate proportion is between 25 and 49 per cent, and a low proportion is anything below 25 per cent. We can see that the first-level interaction based on greetings was practiced by a very high proportion of residents (94% in HFXQ and 81% in ZHXC). However, social interaction on the second and third level was extremely weak. Only attending the same activities/hobbies in CC and discussing issues of mutual concern in ILC were being practiced by more than 10 per cent of the residents, which equated to a low proportion of engagement. Compared to traditional estates, slightly more residents here reported greeting their neighbours upon encounters, but significantly lower proportion of residents (virtually none) engaged in any deeper forms of interaction. Social engagements among neighbours in upmarket estates appeared to be more shallow, and lacking real efforts to know each other. Another observation worth reporting is that the act of borrowing among neighbours seems to have disappeared in upmarket commodity estates. It appears that the internalisation of facilities in new commodity estates (e.g. private W/C, kitchen) have reduced the residents' necessity and hence habits to share. Moreover, greater wealth has probably helped to diminish the necessity to rely on neighbours for material assistance. The lacking of frequent, normal day-to-day social contacts among these residents also reduces the likelihood of

¹⁴⁸ The characteristic of ILC residents is possibly influenced by its higher proportion of singletons (23% in ILC vs. 5 % in CC), who have a lifestyle different to married couples. The less usage of public areas in upmarket estates could also have been undermined by the busier lifestyles of residents, and their expanded choice of leisure activities due to greater wealth and mobility (see more in chapter 9)

swopping/borrowing items due to unfamiliarity.

Table 7- 6 Upmarket estates: depth of social engagement with neighbours

Depth of engagement	Do you? (yes) (%)	CC	ILC newcomers	ILC returnees	Proportion of engagement
First level	Greet them when you see them	94.3	80.7	75.0	High
Second level	Chat with them	2.9	5.3	31.3	Low
Second level	Borrow things from each other	0.0	0.0	6.3	Low
Third level	Discuss issues of mutual concern	0.0	10.5	37.5	Low
Third level	Attend same activities/hobbies	14.3	7.0	68.8	Low
Unspecified	Others	28.6	5.3	0.0	Low/moderate

7.3.4. Mutual help and conflicts among residents

Several studies on post-reform Chinese cities had found that residents in newer residential estates have lower social interaction than residents in old residential estates (Wang, 2002; Forrest and Yip, 2007). As urban areas became more developed, mutual help among residents appeared to diminish (Forrest and Yip, 2007). Other studies had shown that residents in different types of estates possessed different help structures (Wang, 2002; Zhang *et al.* 2001). For example, Wang (2002) had reported in Shanghai that residents in *lilong* estates were more inclined to seek help from their neighbours or the RC in times of need; while residents in commodity estates were more inclined to seek help from their family and friends. Zhang *et al.* (2001) also found that residents living in old quarters (*lilong* houses) and high-rise apartments (higher income estates) in Shanghai's Hongkou district had different depth of connection/reliance to their RC's. Their survey of 130 residents living in all the housing types in the district revealed that residents in *lilong* houses were more inclined to seek help from RC's, while residents in higher income estates had a weaker connection to their RC's, and were more inclined to solve problems by themselves or approach their friends.

Table 7-7 shows the residents' help structure in CC and ILC. Respondents were asked to select their top three choices of help from a list of potential sources when they faced trouble. Results show that friends, family members and the

Housing Management Company (HMC) were the top choices for both estates. In both, neighbours did not feature in the top three choices. In CC, neighbours were the 4th most popular choice. While in ILC, neighbours were the 7th most popular choice (second bottom from a list of 8 choices). This suggests that neighbours were not as integral to their help network compared to the residents in traditional estates (where neighbours were in the top 3 choices). Compared to the choices from traditional estates, family members had remained important to residents in upmarket estates, but the helping role of neighbours had been replaced by friends, while the role of the RC had been replaced by the HMC.

Table 7- 7 Upmarket estates: residents' help structure

(%)	CC	ILC newcomers	ILC returnees
If you encountered a problem, which of the following options would be your top 3 choices for help? (Yes)			
Neighbour(s)	35.7	5.4	50.0
Friend(s)	76.2	75.0	14.3
Family	71.4	51.8	78.6
Work	2.4	32.1	0.0
The resident committee	0.0	19.6	78.6
No one but myself	0.0	3.6	0.0
Housing management company	69.0	80.4	21.4
The police	4.8	17.9	7.1
Within the last 6 months, have you ever helped neighbour(s)?			
Yes	0.0	33.9	37.5
No	100.0	66.1	62.5
Within the last 6 months, have you ever received help from neighbour(s)?			
Yes	0.0	26.8	37.5
No	100.0	73.2	62.5
Do you inform your neighbour(s) when you or your family go away from home for a lengthy period of time (i.e. travel)?			
Yes	0.0	35.1	53.3
No	100.0	64.9	46.7

Other indicators also show a significantly diminished reliance on neighbours for help. The vast majority of residents had not exchanged mutual help recently. All of the residents in CC and 66 per cent of the residents in ILC had not helped their neighbour in the last 6 months. Moreover, all of the residents in CC and 73 per cent of the residents in ILC had not received help from their neighbours in the same period. In addition, the majority of residents from both estates (100% in CC and 64% in ILC) indicated that they do not inform their neighbours when they plan to be absent from home for a lengthy period of time. This detachment

is probably influenced by 2 factors related to the upmarket estates. Firstly, they have security guards and good alarm systems equipped in these estates, which provides good security. Therefore, residents rely less on neighbours for surveillance. Secondly, these estates generally have secured mailboxes in their ground floor lobby, and porters who can help to collect mail while residents are away. These features and services have further rendered the traditional helping roles of neighbours obsolete. Data in this section suggest that mutual help as a form of social interaction, which was practiced widely in traditional estates, has significantly diminished in new upmarket estates. This finding supports the observation by Forrest and Yip (2007) that urban redevelopment contributes to a decline of neighbourhood mutual help.

Finally, regarding the different level of reliance on the RC between the residents in traditional estates and upmarket estates, this is possibly due to contrasting socio-economic attributes between the two groups. As illustrated in chapter five, residents in traditional estates were poorer, older, and mostly retired. These characteristics suggest they would be more reliant on the help from their RC, which provided basic social services at the neighbourhood level. As residents in the upmarket estates were wealthier, younger and employed, they were likely to dependent less on their RC's social services. Furthermore, Wu (2005) had previously contended that many of the traditional roles of the RCs had been replaced by the professionalised services provided by the HMC's in new residential developments. The HMC's generally manage the security, hygiene, landscaping and sometimes even run the gym and business facilities in gated developments (Wu, 2005). These services are paid by the residents as part of the estate's service fees. Therefore when problems related to these amenities arise, residents will approach the HMC, which is held accountable for the mismanagement, instead of the RC. This transference of responsibilities contributes to diminish the relevance of RCs to residents in upmarket estates. Furthermore, many residents in upmarket estates come from countries without an equivalent body like the RC. Therefore they may not be used to get in touch, or see the relevance of the RC in their lives.

Existing studies of social interaction in post-reform China have not yet explored conflicts in new upmarket estates. We know that conflicts in old estates were often caused by overcrowding and the sharing of facilities (Whyte and Parish, 1984; Lu, 1999; chapter 6). However, facilities in upmarket estates have been privatised and therefore the necessity to share basic facilities has been removed. Consequently, residents in upmarket estates are able to live more independently, and the chances of friction should be reduced from the past, leading to diminished level of conflicts. Table 7-8 illustrates the frequency for disputes among these residents.¹⁴⁹ The vast majority from both estates (98% in CC and 59% in ILC) reported to rarely encounter conflicts with neighbours.¹⁵⁰

Table 7- 8 Upmarket estates: conflicts with neighbours

(%)	CC	ILC newcomers	ILC returnees
How often do you have conflicts with neighbours?			
None	97.7	59.3	86.7
Rarely	2.4	37.0	13.3
Sometimes	0.0	3.7	0.0
Frequently	0.0	0.0	0.0

7.4 The proliferation of upmarket estates

Following on from chapter 6, the estimated amount of new housing in the 7 constituent districts that make up the inner-city area in Puxi is approximately 53 per cent of the area's total housing stock (SSB, 2009).¹⁵¹ These include villas, apartments, and first class staff dwellings. Because the statistical yearbook does not explicitly define villas and first class staff housing, it is not possible to break down the actual quantity of old or new villas, or post-1990s low-price commodity housing or upmarket commodity housing. But from visual observation, a significant proportion of post-1990s new housing development in central Shanghai belongs to upmarket housing. Their emergence next to old estates is crucial to the formation of mixed neighbourhoods. This section will explore the factors and mechanisms which influenced developers to develop

¹⁴⁹ Not enough responses were received for the reasons for conflicts

¹⁵⁰ Traditionally, the RC played an important role in the conflict resolution among residents (Whyte and Parish, 1984). Since conflicts in new upmarket estates are rare, this contribute to another factor why residents here have less contacts/dependency on RCs.

¹⁵¹ Old housing includes second and third class workers' apartments, *lilong* houses, and shanties.

upmarket housing.

7.4.1 ILC estate

ILC estate was developed by Jing'an Property Development Company (JPDC), the same developer of XFKL (see next chapter). The estate was constructed between 2000 and 2003. Because the developer did not agree to be interviewed by the author, the report on ILC's development process has to rely on a case study by Tian and Wong (2007).

Figure 7- 9 View of ILC estate with the towers surrounded by an internal garden



Source: <http://shanghai.souwuo.com/property/view/8352/2/> accessed on 28 Nov 2009

Policy context: New Round Redevelopment Initiative (NRRI)

After the successful completion of the 365 slum clearance scheme at the end of 2000, the Shanghai Municipal Housing Bureau conducted a new survey on the status of old houses remaining in Shanghai's 19 districts and counties. The survey found that within the inner-city area, there still contained a total of 16 million m² of dilapidated houses graded as old *lilong* or worse, which occupied 3,050 hectares of urban land. Of which, grade one *lilong* houses represented

5.3 million m² (32% of total), grade two *lilong* houses represented 8.9 million m² (54% of total); simple houses and shacks represented 2.2 million m² (14% of total).¹⁵²

Based on the new investigation, a successor of HAFI called the New Round Redevelopment Initiative (NRRI) was launched by the SMG. In February 2001, the Shanghai Urban Development Committee, Shanghai Urban Planning Bureau, Shanghai Residential Development Bureau and the Shanghai Municipal Housing and Land Administration Bureau jointly issued the No. 68 document: "Provisional Methods to Encourage Residents to Move Back and Advancing a New Round of Old Area Redevelopment". Its aim was to facilitate the redevelopment of remaining old residential areas in Shanghai.

The document stipulated that projects under NRRI should adhere to the combined principles of "demolition, alteration, and retention". Specifically the *Demolition-type rehabilitation* would be adopted for inner-city areas in which over 70 per cent of their building stock were of old style *lilong* houses. A special focus was placed on *lilong* houses that were categorised as grade-2 or below, which suffered from deteriorated structures and living conditions.¹⁵³ The development of ILC belonged to this category.

The NRRI largely continued the preferential policies for developers from the earlier 365 slum clearance scheme, which included these key features:

- Exemption from land-lease fees for the approved sites under NRRI, on the condition that the original residents should be relocated or compensated
- Exemption from primary service fees (about 320 yuan/m²)
- Exemption from compensating the existing values of the demolished state-owned properties

¹⁵² See Shanghai Real Estate Economics Institute Hongkou Division (2002).

¹⁵³ *Facility rehabilitation* would be adopted for workers' housing that have acceptable structural integrity, but were suffering from the absence of adequate modern facilities such as gas supply, private kitchen and/or toilets. These projects would be conducted in accordance with the regulations set out in the 1998, No. 33 document. *Retention-style rehabilitation* would be applied to areas of important cultural value or areas containing unique architecture. These projects would be conducted according to the regulations set out in the new "Regulations for the Preservation of Inner City Historical Scenery in Shanghai".

- Exemption from air defence fees
- Discount or exemption from demolition and relocation management fees
- Discount of the planning management fees¹⁵⁴

Granted under NRRI, the development of ILC received the exemption from most of the land transference fee and other taxes and fees related to the development.

Institutional restructuring

The year 2000 oversaw significant institutional reforms in Shanghai when most commercial companies affiliated to governments sought to divorce from their parent government department bodies. Likewise, the JPDC was separated from the Jing'an Housing and Land Administration Bureau. The separation implied that the company now had to resort to 'balancing costs and profits without resorting to public funding' (Tian and Wong, 2007: 222). The JPDC then established Shanghai International Landoll Property Co. Ltd (SILPC) to develop ILC.

The financial pressure of operating as a private business enterprise had forced SILPC to significantly scale down its commitment to meet the NRRI requirements on the on-site resettlement of original residents. Originally the Jing'an District Government required SILPC to resettle 40 per cent of original residents back on-site. However SILPC's own feasibility studies found this was financially unfeasible. Consequently it collaborated with Xingye Real Estate Development Co. Ltd to develop a relocation base in Putuo district (some 70,000 m²), near the fringe of central Shanghai, to re-house the original residents. The proposal was accepted by the government, and consequently, less than 200 newly developed apartments in ILC were kept for sale to the 3,500 original residents (approximately 6 %).

¹⁵⁴ The following fees were waved for all project granted under NRRI: land-use-right fee, compensation fee on the demolition of workers' housing, administration fee on housing demolition, administration fee to ensure construction quality, the cost of construction planning certificate. The following were waved or reduced: air-defence fees, infrastructure and public construction provision fee. In addition, residents who fit the criteria to access low-rent housing have a priority of access after redevelopment.

For the relocated residents, discounts were offered to their purchase of dwellings in the relocation base to facilitate their move. According to a manager of SILPC, residents were offered discounts on the purchase of a dwelling that is equal to their original dwelling's floor area. On top of which, there was a sliding charging scheme for different additional floor space they choose to purchase. Residents were asked to pay 3,000 yuan/m² for any additional space they desired for up to 8 m² per capita; 4,000 yuan for any additional space between 8 to 12 m² per capita, and 6,000 yuan (full market price) for an additional space exceeding 12 m² or more per capita. When the relocation units ran out, SILPC offered households a one-off monetary compensation of 60,000 yuan per person. These households were asked to seek their own accommodation on the market (Tian and Wong, 2007: 222)

Decision to make ILC a luxury estate

According to the chief engineer and manager of ILC development, it was not SILPC's initial objective to develop ILC into a luxury (high-income) estate. At the time of initial project planning, the property market in Shanghai was just recovering from its previous slump in the late 1990s due to the Asian financial crisis, and there was little certainty in the housing market. Consequently, the initial proposal included 2,000-3,000 small apartment units in multiple storey and high-rise buildings. They only targeted medium-income families, and there were no expensive apartments being proposed at all. However when the property market picked up, a new proposal was put forward. According to the manager of SILPC:

"... we found that the location of this site was particularly unique in Shanghai - it was convenient, vibrant, arty, and with a rich sense of historic culture. Together with Zhongrui Real Estate Consultant... we developed a proposal for an upmarket residential area. It was totally feasible for us to obtain good profits and enhance our reputation through this project. What we did, first, is to have more green space by reducing the floor space which then allowed us to set higher

sale prices; second, to increase the number of large apartment units with en-suite bedrooms and servant bedrooms for three-bedroom and four-bedroom flats and to provide central air-conditioning to all flats; third, to design a glass lift for the high-rise apartments to promote a ground breaking sale point; and finally, to invite Ronald Lu and Partners (HK) Ltd and Belt Collings HK Ltd to enhance the elevation and landscape design for the upper market properties.” (Tian and Wong, 2007: 224)

The final project was advertised as “a residential area exclusively for the most successful entrepreneurs, managers, and professionals who deserved to enjoy the historic, international, and artistic atmosphere of the area; the relaxed ambience of Jing’an park; and proximity to upmarket consumer services in West Nanjing Road, where English bars, Starbucks, Chanel, and Versace are located” (Tian and Wong, 2007: 222).¹⁵⁵

During the spring Shanghai Property Fair on May 1, 2002, the apartments of ILC were priced at 8,000-10,000 yuan/m². In 2003, a revived and buoyant property market had quickly pushed the price of apartments to 17,000 yuan/m².¹⁵⁶ According to the developer, only about forty per cent of the flats were purchased by Shanghai residents and less than five per cent were purchased by returnees (only the most well-off from the original community). The remaining flats were purchased by overseas Chinese and buy-to-sell/let investors from Zhejiang and Jiangsu Provinces in China (Tian and Wong, 2007: 225). Because of the limited number of returnees in ILC, the majority of residents in the estate were filtered by their economic ability via the housing market, resulting in a high-income residential estate.

7.4.2 CC estate

¹⁵⁵ As the district was once an international concession area, it contained a number of historical architecture and estates which have been preserved or not yet redeveloped. The park and Nanjing Rd shopping area, which is one of the top consumption hotspots in the city, attract large numbers of foreigners and tourists and are both within 15 minutes walk from the location of ILC. The site is also only 15 minutes walk away from the underground station.

¹⁵⁶ Housing price in Shanghai started to rise steadily after 1999 and there was an upsurge of housing price between 2003 and 2004 (refer to Figure 5-23).

CC is a luxury gated estate diagonally across the street from ILC (Figure 7-10). The site occupied virtually an entire block in Shimen neighbourhood except for a small area which contained the preserved ZHXC estate (see chapter 5). It was developed by Shanghai Yuanzhong Jing'an Real Estate Company (SYJREC), a private Taiwanese developer.¹⁵⁷ The development began in 2003 and the first phase was completed at the end of 2006. Like the developer of ILC, SYJREC was a private enterprise and had to balance its own development costs and risks. Although the development received beneficial policies included in the NRRI, SYJREC nevertheless still had to bare a significant financial burden in taking on the project in response to the rapidly increasing development costs in Shanghai. As the section will show, costs have increased significantly via multiple factors, which have contributed to its formation as a high-income estate.

Figure 7- 10 A night time view of CC estate



Source: <http://sh.fangyou.com/house-1685448.html> accessed on 6 Dec 2009

According to a senior official from the Jing'an District Planning Bureau, the stipulation in NRRI regarding the relocation of original residents did not legally

¹⁵⁷ In October 2008, SYJREC officially changed its name into Yuan Shong Jianshe Kaifa Jituan (source: <http://www.citycastle.com.cn/HTML/GHSJ-JZGH.htm> accessed on 5 Jan 2009). Its parent company Yuang Shong Corporation is one of the largest developers in Taiwan.

require developers to conduct on-site resettlement.¹⁵⁸ Consequently no on-site resettlement was included in the development of CC. In this sense, CC represented the most dominant form of urban redevelopment in Shanghai in which all of the original residents were relocated, and many to the city's periphery (see He and Wu, 2005). Consequently, CC only contained apartments sold at market (i.e. non-subsidised) prices, and buyers were filtered by their affordability on the property market. At the time of study, the 292 apartments in phase one had been sold out and about 100 households had already moved in. The rest of the owners had been notified to pick by their apartments.¹⁵⁹

Context of development

According to a senior manager of SYJREC, the company had purchased the site in early 2002. Due to the possible scandal relating to the acquisition of the plot (see chapter 6), the manager would not elaborate on the acquisition process. But the conversation did suggest that SYJREC were led to believe that they had acquired the rights to develop the entire block by the government, which it later retracted. According to him:

*"We did get the whole plot. But it's very strange in China, some of the people went to protest in Beijing, so in the end, the SMG backed off. They decided to preserve these houses (ZHXC)."*¹⁶⁰

However the manager did reveal that the project was granted under the NRRI initiative, which meant that it received the same beneficial policies as received by ILC. The late decision to preserve ZHXC on the site did affect the design preparation of CC. SYJREC had to adjust the massing and the grouping of towers in its proposal. Eventually a new solution resorted to place a group of low-rise villas to the South of ZHXC, and to construct mid-rise towers to the North of ZHXC in order to satisfy the sunlight penetration criteria stipulated in

¹⁵⁸ In reality, studies have shown that many projects under old district renewal did not follow the regulations on resettling original residents, and beneficial policies beyond the stipulated were often granted to developers as district competed against each other to attract developers (Xu, 2004)

¹⁵⁹ Personal interview with a senior manager of SYJREC on 15 Jan 2008

¹⁶⁰ Personal interview with a senior manager of SYJREC on 15 Jan 2008

the building code regarding the location of ZHXC. Furthermore, a decision was made to turn the entire Southern border of the site into a strip green, in order to satisfy the city's requirement of a 1,500 m² public park on the site.¹⁶¹

Rising costs of development

Around 2002 and 2003, the property market in Shanghai was buoyant again and the land and housing prices were inflating at a rapid pace. As a private enterprise, SYJREC adjusted its product and prices according to the market. There were four main factors which contributed to the eventual high dwelling prices in CC.

1. Rapid inflation of land prices

The scarcity of land in the inner-city and the rapid inflation of land prices from competing developers is a fundamental element in the cost of development. According to a manager of SYJREC, land prices in Shanghai was set up by the government and disclosed publically (*gong gao di jia*). However, due to fierce competition among developers, a developer won't be able to obtain the land unless you pay up to 1.8 times the official published land price. In some cases, this may go as high as 2.5 to 3 times the published land price.

The cost of land and development were eventually passed onto the buyers. According to a sales representative of SYJREC, 80 per cent of all the buyers from phase one were from Taiwan.¹⁶² According to another senior manager of SYJREC, local Chinese buyers could not afford dwellings in CC even though the initial goal of SYJREC was to attract the Chinese clientele. He explained:

“Initially we didn't want to sell to Taiwanese people. We wanted to sell to the local people. But the local didn't want to buy our development because our prices are too high. The reason that the prices are high, it's not because we

¹⁶¹ Personal interview with a senior manager of SYJREC on 15 Jan 2008

¹⁶² Personal interview on 15 June 2007

wanted to sell it high. But it's because the price of land cost has risen too rapidly... Our initial projection of sale price was 20,000 yuan/m². It actually went up to 40,000 yuan/m². So it went beyond the financial capability of the locals."

2. Increased financial burden of relocation: new government regulation

By the time of CC development, compensation to relocated residents has become based on market rates issued by the government. The rapid inflation of housing prices has increased the cost of preparing relocation housing, which in turn, raised the level of compensation. In the 1990s, the government was responsible for the relocation of original residents (see Wu and He, 2005; Dowell, 1994). The relocation was carried out in a speedy and effective manner because the state had absolute power over the residents. However, according to a sales representative of SYJREC, this was no longer the case. Relocation had become more transparent and had to be based on negotiated agreements between the developer and original residents. According to her:

"In the past it (relocation) was cheaper. At that time, the government does the relocation for the developers. If they (residents) refuse to move, they (government) will force them to move. They are like the mafia, force them to relocate. But now the task falls on the developer, and we cannot do this (forced relocation). We cannot force them. We can only use money to convince them."

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Moreover, the responsibility to relocate existing residents had been passed onto the developer, who did not carry the power to relocate residents. By law, relocation companies affiliated to the local government have to be hired to carry out relocation (personal interview with a senior manager of SYJREC on 15 Jan 2008). Furthermore, in order to initiate a development, a developer must first obtain a relocation permit. In order to do this, the developer must first prove to the district government that it has prepared enough relocation housing for the settlement of relocating households. This requirement significantly increased

¹⁶³ Personal interview with a sales representative on 21 June 2007

the demand on initial capital investment from the developer and significantly increased its financial risk in the development process. A senior manager explained the process:

*“We set up an account for this project. The money allocated for relocation can only be used for relocation, not on any other tasks. When we were relocating, the district government has a regulation. If we have 500 households on a site, we then have to acquire enough dwellings to house 70 per cent of these households. This means we needed to acquire 350 dwellings. After we bought these dwellings, there needs to be a relocation fund set up in the bank. The government wanted to have double insurance. So the developer has to carry a lot of (financial) burden. It has to buy the dwellings all in cash because we were not allowed to buy them with a mortgage. So we need to prepare a lot of cash. For example if this plot of land costs 100 million yuan, the additional requirement means that I will have to prepare 150 million yuan just to prepare 70 per cent of relocation dwelling... We have to do all of this before we obtain the relocation permit.”*¹⁶⁴

According to another manager, relocation houses were sourced from the market, including second-hand, relocation-standard, and commodity housing. District governments also stipulated that SYJREC could only purchase houses within the outer-ring road so that basic amenities could be guaranteed for the relocated residents (personal interview with a senior manager of SYJREC).

3. Increased cost of compensation: new residents' strategies to maximise compensation

The level of compensation during relocation had become more transparent, and regulated. The government sets out compensation rates specific to different areas in different districts depending on the value of the location. Furthermore, as residents become familiar with the level of compensation and procedures of negotiation, they have developed new strategies to maximise their

¹⁶⁴ Personal interview with a senior manager of SYJREC on 15 Jan 2008

compensation (Wu *et al.* 2007: 240-241). Often households would register their family member's *hukou* back into their dwelling if they knew the area was earmarked for redevelopment. This is because the compensation for relocation is calculated based on either the number of occupants in each household or on the size of the original dwelling, whichever works out better for the residents. Therefore for households with a small dwelling, it is beneficial to maximise the size of their household to increase the compensation. According to a sales representative of SYJREC:

*"Shanghai in the past, a family usually consists of two or three generations living in one small room. Now, the conditions have improved and family members tended to move out. But if they realise that the area is marked for relocation, they won't deregister their hukou from the address when they move... Instead, they move the rest of their family members' hukou back to the house... I heard them (relocation team) talking last time, a room of 8m² contains 6 hukou, 6 people! But this room for sure won't have so many people living in it."*¹⁶⁵

Residents have also gained better general knowledge of the negotiation process and some would prolong their negotiation to bargain for higher compensation. As a soon-to-be relocated woman in phase two explained to the author:

"... in the beginning, 1 person will receive 180,000 yuan, 200,000, or 250,000 yuan. So for a house with 4 or 5 people, you will get about 1 million right. In the beginning, they offer you less money. As time drags on, and you refuse to leave, they will raise the money. Now they've raised it to 300,000 per person. So 300,000 per person, for a house of 5 people you'll get over 1 million. Once you have the 1 million, you can go out and buy a second-hand dwelling with a bit of your own money added to it. And if you don't want to buy a second-hand dwelling, then they (developer) offer you a dwelling in the outskirts. It's like this."

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¹⁶⁵ Personal interview on 21 June 2007

¹⁶⁶ Personal interview with a woman from Hong Qing Li on 2 July 2007

Another interview with a soon-to-be relocated resident also illustrated the more market based relocation procedure that has emerged in Shanghai:

“If he (developer) doesn't give you enough money, you won't leave. Because it is a market exchange (something), you give me some money and I have to agree to it.”

In the end, each original resident received on average about 300,000 yuan of compensation during the second phase of relocation of CC development.¹⁶⁷ This represented a rapid and significant increase in the level of compensation to original residents.¹⁶⁸

4. Additional cost to development due to unclear process and agreements on land deals with the government

In addition to the rising land and compensation costs, further fees were incurred to SYJREC due to the unstipulated procedure and lack of transparency on land transference agreements with the district government. Although the plot was purchased in a single instalment, residents were eventually relocated in two stages because of suspected mishandling of money by the district government. This was against SYJREC's original intention to develop the project in a single phase, and had unexpectedly increased their cost for the development. The additional expenditure had to be reclaimed from buyers, which eventually raised the prices of apartments. A senior manager of SYJREC explained:

“We (SYJREC) obtained the whole plot and paid it in a single instalment. But the district government had its own ideas. In the early stages, development was usually rolled out by stages i.e. the government will relocate the proportion of residents depending on the proportion of money a developer pays. Because

¹⁶⁷ personal interview with a sales representative on 21 June 2007

¹⁶⁸ To give an indication of the inflating relocation costs, back in 1999, it only cost XFKL development (across the road) about 150,000 yuan to relocate a household. In 2002, the developer of ILC paid about 60,000 yuan for each resident when relocation houses ran out.

they (government) didn't have enough money, so the amount of work they conduct is directly proportional to the amount of money they receive from the developer. But in our case we paid them in full in one instalment. For the government, because they are used to developing in rolling stages (guen dong xing kai fa) they decided to put a portion of the money into fixed savings. This is my own guess; this is not the official story from the government. For the government, this means that they can earn interest, as well as relocate half of the site for us. But they probably didn't foresee the speed of economic growth and price inflation in Shanghai. In the end, the money they put into savings wasn't enough to relocate the remaining residents (in phase two). So they came back to us and asked for more money to top up their expenses. So we had no choice but to add more. Our budget increased in stealth...we had no power to control the way in which the government handles the money...We had to put in an additional 760 million yuan.”¹⁶⁹

Design and marketing to differentiate CC from competition

SYJREC had always aimed to create a high-quality residence from the project's outset. According to a senior manager, more efforts were put into its design, such as ensuring greater exposure to sunlight for each apartment, and improving the functionality of the layout of apartments in the reduction of public amenities counted towards actual dwelling space.¹⁷⁰ Moreover foreign design firms were hired to design the club house and landscaping. SYJREC also incorporated the latest technology into the dwellings to add value to their product:

“We now have ‘fingerprint vein-scanning doctors’ (jingmai zhiwen yishen), which can scan your vein and the data is directly sent to a remote doctor. So you can measure everyday to keep up-to-date and monitor your own health condition. Also your mobile phone can double as your swipe key. We are now adding a lot

¹⁶⁹ As an indication of this financial impact, the entire development cost of XFKL from across the street (between 1998 and 2001) was 500 million yuan (see chapter 8 for details of its development processes).

¹⁷⁰ 18% instead of the normal industry standard of around 30% i.e. if one purchased a dwelling of 100 m², one normally get 70 m² of usable space, but in CC one would get 88 m².

more technology into our development, such as medical, technological and eco-friendly stuff. You can expect to see these things being incorporated into our phase two development. We've added more things into our project so that customers have more choices."

According to another senior manager, there were three selling points of CC. The first was their brand, which most Taiwanese people recognise. Secondly was the quality of their design, standard of construction and use of materials. Finally it is the promise of their after service. Furthermore SYJREC adopted a strong marketing strategy in both China and Taiwan. The campaign emphasised the quality of the development as well as the 'un-miss-able' investment opportunity in Shanghai due to the project's prime location and promising growth in Shanghai's real estate market. These targeted not only potential occupiers but also buy-to-let and speculative investors. According to a sales representative:

"All the Taiwanese buyers criticised our price when they first heard about our asking price. But they mostly came back here after comparing our project to others."

Another sales representative added:

"When we first started to sell, the unfinished (mao pei) units were selling at 26,000 to 28,000 yuan/m². The projects around us were only selling at 18,000 yuan/m². So in the beginning people thought we were too expensive and didn't think we will get any buyers. But it only took 2 months for the first 2 towers to sell out...By last January or February, the first 2 blocks were sold out. We didn't rush to sell the other blocks. The rest of the towers were sold as furnished units, and we needed time to finish them. Now we only have 1 unit left and that's the showroom... now we are selling at 60,000 yuan/m²."

Outcomes: dispersal of original community and the creation of a new high-income Taiwanese enclave in central city

In the end, all of the original residents were relocated elsewhere. About 50 per cent of them chose monetary (cash) compensation, and the rest either moved into relocation houses provided by the developer; or moved to the relocation base in Jing'an district.¹⁷¹ According to a soon-to-be relocated resident, her neighbours were relocated to Minghang, Baoshan, and Pudong districts. Those who bought houses on the market were distributed across the city.¹⁷²

According to the senior manager, the majority of buyers in CC were high-income corporate people, including owners and senior managers of multinational companies. There were also some politicians, celebrities and artists. Aside from the 80 per cent of buyers from Taiwan, there were also overseas Chinese from Hong Kong and Indonesia and some from other provinces in China. The proportion of Shanghainese buyers was really low. This was not only due to price differences to other development, but also due to cultural differences in evaluating the value of investments. He explained:

*"Our price is exactly 10,000 yuan/m² higher than the development right behind us (North of CC, still under construction). Their proportion of local Shanghainese buyers is much higher. Why? Because the two projects are similar in location, we are both in Jing'an district; we are both close to Nanjing Rd (prestigious shopping street). But if he buys there, he can save 10,000 yuan/m² even though he knows that our project is superior. But he thinks it's not worth the higher price."*¹⁷³

The trend of increasing prices and unit sizes of commodity development in central Shanghai

As the product (i.e. development) responds closely to market conditions, the apartments in phase two of CC will be even more lavish and expensive. According to a senior manager:

¹⁷¹ Personal interview with the secretary of the RC on 18 Dec 2007

¹⁷² Personal interview with a woman from Hong Qing Li on 2 July 2007

¹⁷³ Personal interview on 15 Jan 2008

“In terms of unit sizes, we will try to enlarge them slightly. If in phase 1, a 3-bedroom apartment is 150 m², for phase 2 we will make them 180 m². In the past, we didn’t have any large unit types (da hu xing) but we will do them in phase 2. These will be around 300 m², 1 apartment per floor.”

When asked why, the manager replied:

“It’s more related to the sale price. If your sale price is within 10,000 yuan/m², the market is very messy. In that market, smaller units will sell the best. Even a two-bedroom (apartment) can be quite easy to sell. But a 3-bedroom (apartment) will be more difficult. When your sale price exceeds 30,000 and 40,000 yuan/m², all your finishing standard has to be very lavish because the client level is different.”

According to SYJREC’s own predictions (in 2007), once stage two is completed, the price of the low-rise apartments is expected to reach 60,000 yuan/m². The villas are expected to reach 100,000 yuan/m².

The project of CC has illustrated the consequences of a development by a private developer, which has to respond to changing market conditions. The rapid inflation in land and compensation costs, and extra expenditure due to the government’s unexpected demand jointly contributed to higher development costs, which were eventually passed onto the buyers. The buoyant real estate market in Shanghai and a strong market demand for housing after 2000 allowed the developer to raise the selling prices rapidly. On the other hand, the developer also had to respond to the market by good designs in order to differentiate the product and secure the demands of their expected client niche. In this case, the projected cost of new apartments has contributed to even larger dwelling units and more lavish provisions for the next phase of development, which would further consolidate CC’s status as one of the most expensive residential estates in the city.

7.5 Conclusion

This chapter has explored the upmarket estates in Shimen neighbourhood in detail. In particular, it has examined their physical and living conditions, the intra-estate social interaction among residents, and factors and mechanisms responsible for the development of luxury estates in central Shanghai.

ILC and CC both contained high-rise residential towers, which is the most typical form of luxury central city housing. The apartments were spacious, often equipped with state-of-the-art appliances, high quality building materials and improved security provisions. International designers have often been involved in their design to improve the quality and add value to the development. A great deal of thought had been placed on the orientation and positioning of towers in order to optimise the lighting and ventilation of apartments. Residents here do not suffer from the shortage of space or internal amenities found in traditional estates. Apartments were large and the space per capita here greatly exceeded the city's average. Some even included a room for a nanny to satisfy the particular needs of the urban elites.

The social interaction among these residents can be said to be minimal. Residents here possessed a small mental area regarding their neighbours, which mainly included their immediate neighbours from the same floor or next door. The majority have no or rarely interacted with neighbours, and would only interact with the nearest neighbours when interaction did occur. Consequently, residents' have poor knowledge of neighbours. The majority knew less than 10 neighbours. Compared to traditional estates, much higher proportions of residents here knew no neighbours at all. There is no depth of social engagements here. Apart from greetings, residents did not engage in other forms of interaction, including conflicts. Residents also did not spend their spare time in public areas of their estates, which minimised chances for casual social interaction. A weak inter-dependency was found among the residents, as neighbours were not regarded as a key source of help, and that the frequency of exchanging mutual help was minimal. Compared to the traditional estates,

residents here preferred to approach personal friends and the HMC instead of neighbours or the RC in times of need.

This chapter has also shown the various financial considerations which contributed to the design and development of two high-income estates in central Shanghai. The case of ILC has shown how a state affiliated developer significantly diminished its fulfilment of the socially orientated ambitions to reallocate residents stipulated in the housing renewal programme (i.e. quota for returnee residents) once its finances was separated from the parent government body. With increased pressures to balance development costs and risks as a private enterprise, the developer resorted to enlarge the scale of off-site reallocation of original residents. Moreover the development changed quickly from mid- and low-price apartments when prospects of the property market was uncertain to mostly high-price apartments when the property market picked up in order to capture profits from increased housing demand.

Likewise, the case of CC has shown the compounding financial pressures exerted on private developers due to rising land cost due to the scarcity of urban land and a strong property market; and escalating compensation costs to original residents due to Shanghai's new compensation requirements after 2000. Further cost escalation was caused by unclear procedures related to the purchase of land and agreements with the local government. These factors have combined to rapidly raise the costs and risks of development, which was eventually passed onto the end buyers as expensive apartments. Consequently, buyers of both estates became almost exclusively (apart from the limited amount of returnees in ILC) high-income social classes filtered by their financial ability to purchase in the property market. The case of CC also showed how continued positive projection of property prices have combined with rising development costs to foster the development of larger and more lavish apartments as developers attempt to satisfy the demanding client niche and to differentiate the development from other competitions in the high-end market. Although beneficial policies were already granted to developers, these market forces will continue to drive private developers to produce increasingly

expensive developments in central Shanghai. Within the market-based housing system in Shanghai, these will become the housing exclusively for the wealthy. The forces and mechanisms covered in this chapter have acted in tandem with the retention mechanisms covered in chapter 6 in the creation of mixed neighbourhoods.

After the examination of upmarket estates, the next chapter will explore a unique middle-income commodity estate XFKL in Shimen neighbourhood. It was developed by a government affiliated developer to fulfil the socially orientated housing renewal programme- HAFI. The result was a new estate with almost half of returnee residents. The same chapter structure to this one will be used to analyse its physical and interior living conditions, intra-estate social interaction among its residents (especially the behavioural differences between the newcomers and returnees), and the special mechanisms which helped to develop it.

8 The middle-income estate

8.1 Introduction

The previous 2 chapters have analysed the traditional and new upmarket estates in Shimen neighbourhood. In particular, three aspects of these estates have been explored: a) the physical and living conditions of dwellings, b) the intra-estate social interaction among their residents, and c) mechanisms which have contributed to their retention or development in central Shanghai. This chapter will now shift the lens on to the middle-income estate in Shimen neighbourhood. XFKL had been developed under the HAFI renewal programme (1991-2000). As a special trial project under HAFI, XFKL contains almost an even mix of returnee and newcomer residents, making it a uniquely 'mixed' estate in Shanghai.

Focusing on the same aspects explored in chapters 6 and 7, specific questions investigated in this chapter are:

- a. What are the physical conditions of dwellings in this middle-income estate? What kind of living conditions does it offer? This chapter aims to generate a good understanding of the residents' living conditions, using data from the surveys, floor plans, and photos of their interiors.
- b. How do residents in the middle-income estate interact with neighbours from their own estate? Moreover, how different are the social behaviours of returnees and newcomers? As no previous research has tackled an estate of this nature before, we have no knowledge on their social dynamics.
- c. What are the key forces and mechanisms leading to the development of XFKL (which is both a middle-income estate and a mixed estate of returnees and newcomers)?

This chapter is organised into 5 sections. After this introduction, section 2 explores the physical and living conditions provided in XFKL. It includes a brief recap of the socio-economic attributes of its residents, and an examination of its physical features including the layout, furnishings, and building materials, and indicators such as residents' possession of bedrooms, amenities and space per capita. Section 3 examines the intra-estate social interaction among these residents, with a special attention placed on the differences in social dynamics between the newcomers and returnees. Section 4 explores the mechanisms which contributed to the development of this estate. Section 5 concludes the chapter with a summary of the key findings.

8.2 Physical and living conditions

Figure 8- 1 XFKL estate



Source: author.

8.2.1 Recap of residents' socio-economic characteristics

Residents' socio-economic attributes in XFKL generally fell between the extremities of the traditional estates and new upmarket estates in Shimen neighbourhood. There were a high proportion of elderly residents. The mean

age of household heads was 56. The majority (43%) were between 46 and 60 years old, and less than a fifth of the household heads were younger than 45. Residents have a medium level education, with almost 70 per cent of them possessing a high school or technical college training. Due to the elderly population, 56 per cent of the residents were retired, and 34 per cent were in employment. Shanghainese people dominated the residents with 92 per cent possessing a *hukou* registered in Shanghai. Most of the residents have employment ties to the state. For those in employment, half worked for SOE's and a further 13 per cent worked for government institutes. The remaining (35%) worked for foreign or Sino-foreign joint ventures. Due to the high degree of mix between newcomers and returnees in its population, residents held an array of positions on the labour market. 38 per cent of the residents were basic staff or labourers, 35 per cent were principal or senior directors, and another 28 per cent were admin or technical staff. The average household monthly income here was mainly split between those that earned between 3,000-5,999 yuan/month (37%), and 1,600-2,999 yuan/month (33%), with the returnees expected to earn less (see later). The per capita average income of the estate was equivalent to Shanghai's middle income range (SSB, 2007).

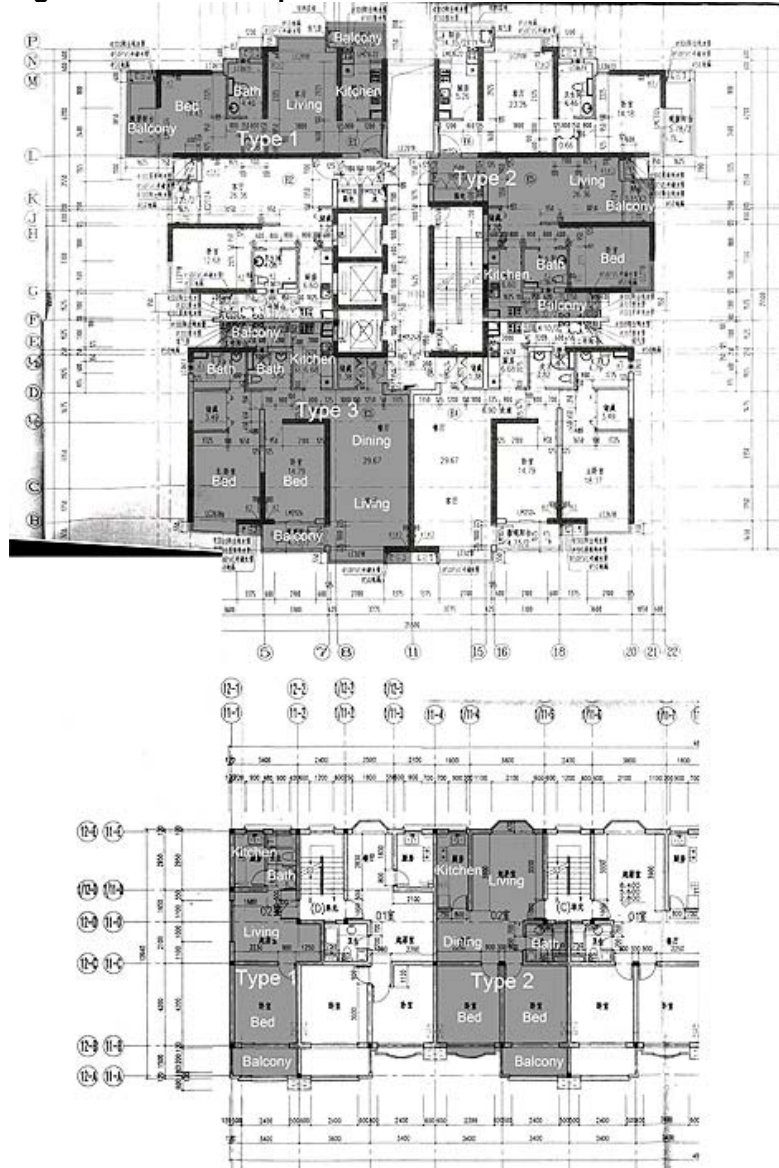
8.2.2 Housing types and physical conditions

XFKL contains 4 types of dwellings: the mock-*shikumen* villas, commodity high-rises (28 storeys), commodity mid-rises (7-8 storeys), and returnee mid-rise apartments (between 4 and 6 storeys). The small group of mock-*shikumen* villas were not considered in this study because they have been fenced off, and spatially segregated from the rest of the estate. The mid- and high-rise commodity apartments all contained lifts, and the residents were charged a higher rate for their service charges. Many of the returnee buildings do not contain lifts, and therefore are subjected to a discounted charge on their services.

Figure 8-2 shows a range of apartment layouts in XFKL. The top image depicts plans of apartments in the commodity high-rises. Types 1 and 2 are 1-bedroom

apartments, and type 3 is a 2-bedroom apartment. The commodity towers (and mid-rises) have been spaced further apart, which allowed for better natural lighting in the apartments. Furthermore, most of the commodity apartments have at least two external facades, which improved the natural cross-ventilation of these dwellings, and two balconies to improve the functionality of units (e.g. allowing residents to hang their washings).

Figure 8- 2 Plans of apartments in XFKL



Source: Jing'an District Planning Bureau

The bottom image in the figure shows the layout of apartments in a returnee apartment in the form of a terrace. Each subdivided apartment is rectangular in shape, long and narrow. Although most units have windows at both ends; the

narrow spacing between adjacent returnee terraces and the height of these buildings (between 4- to 6-storeys), would block the sun to units on the first and second floors, making these interiors unusually dim. This condition is especially problematic during the winter because the weak sunlight penetration meant that clothes drying in the balconies would never get dry (interview with numerous residents). In addition, returnee apartments have been finished to a lower specification. This can be observed in the quality of paint; windows frames and doors used, and lower grades of installed appliances (e.g. basic kitchen and bathroom fit-outs). In addition, returnee apartments suffer from a lower ceiling height. The inferior layout also means that the bathrooms are windowless, meaning poor natural ventilation for the wet room.

Commodity dwellings

Figure 8-3 shows the interiors of a commodity apartment on the second floor of a 28-storey tower. Since no residents from the commodity apartments agreed for the author to investigate their dwellings, illustrations here have been obtained from a local real estate website. Due to the greater spacing between commodity apartments, the dwelling has a bright interior. The apartment has a reasonably sized living room with its corner used as a dining space. There is a compact kitchen but it has been fitted with modern fit-outs. The two bedrooms are reasonably sized and are larger than bedrooms in returnee dwellings (see later). The bathroom is equipped with modern fit-outs, and has a window for ventilation

Figure 8- 3 Interior of a commodity apartment in XFKL



Source: <http://shanghai.souwuo.com/house/view/4269133/>, accessed on 20 Nov 2009

Returnee dwellings

Figure 8-4 shows the interiors of a returnee dwelling. In general, the physical conditions of returnee dwellings are much inferior to the commodity apartments. We can see that the ground floor lobby was dark and poorly maintained. Paint was already peeling off the walls, and the small space was crammed with residents' bicycles. Because many returnees could only afford the smallest and cheapest dwellings in XFKL, many households had resettled back into a 1-bedroom apartment, despite having a multi-generation family. In the following

example, the reasonably sized living room of this dwelling (approximately 19 m²) has to perform multiple functions for the family, including dining and sleeping for the owner's grown-up child. The sole (master) bedroom was snug and cluttered due to the lack of storage space. The kitchen was small with minimal work space, so the preparation for cooking has to be carried out in the living room. The 'internal' bathroom was also snug with the most basic and economical range of appliances. Overall, the physical living environment in the returnee apartment represents a significant improvement on the standard of traditional *lilong* dwellings and workers' apartments. But when compared to modern residential dwellings, its standard can still be considered basic.

Figure 8- 4 Interior of a returnee apartment in XFKL



Source: author

8.2.3 Living conditions: improvements on traditional dwellings

Table 8-1 shows the living conditions of residents in XFKL. Significant differences in quality exist between the newcomers and returnees. The average size of dwellings for newcomers was 98 m², compared to 68 m² for returnees. In

addition, a higher proportion of newcomers possessed a greater number of bedrooms. A higher proportion of returnees occupied 1- or 2-bedroom dwellings compared to newcomers. In contrast, much higher proportion of newcomers occupied three-bedroom dwellings (by 21 percentage points). Differences have also been found in the space per capita. Although the two groups have similar household sizes (2.7 persons for newcomers and 2.8 for returnees), the average space per capita of newcomers was almost 10 m² higher than returnees (36 m² and 27 m² respectively). The minimum space per capita of returnees was only 11 m², which was below Shanghai's average of 16 m² (SSB, 2007). Nevertheless housing renewal has greatly improved the internal amenities of dwellings as almost all of the residents in XFKL now have private access to a range of basic amenities. However the problem of crowding has persisted for some households in XFKL. The situation has been more serious for returnees as only 61 per cent of returnees reported to possess a living room, compared to 85 per cent of newcomers. The need to adapt the living space for other functions has contributed to this situation.

Table 8- 1 XFKL: living conditions

Estate	XFKL newcomers	XFKL returnees	All residents
Size of dwelling (m²)			
Mean	97.8	68.4	83.8
Maximum	195.0	104.0	195.0
Minimum	36.0	32.0	32.0
Number of bedrooms in dwelling (%)			
1	10.9	23.1	16.5
2	56.5	69.2	62.4
3	28.3	7.7	18.8
4	4.3	0.0	2.4
5 and more	0.0	0.0	0.0
Average No. of bedrooms	2.1	1.9	2.1
Average household population (mean)	2.7	2.8	2.7
Floor area per capita (m²)			
Mean	35.9	26.7	31.6
Maximum	70.0	46.0	70.0
Minimum	16.6	10.6	10.6
Possession of living room (yes) (%)	85.4	61.0	74.2
Possession of private amenities (%)			
Bathroom	100.0	97.6	98.9
Toilet	97.9	95.1	96.6
Kitchen	100.0	100.0	100.0
Water	100.0	95.1	97.8
Electricity	100.0	95.1	97.8
Gas	100.0	92.7	96.6

8.3 Intra-estate social interaction

We will now examine the intra-estate social interaction of this middle-income commodity estate. XFKL is one of the few housing estates in Shanghai containing returnees. It is also special among this category of estates because of its high proportion of returnees (an almost equal balance of newcomers and returnees). The following analysis represents the first exploration into the social dynamics of a 'mixed estate' of this nature in Shanghai. Different socio-economic characteristics of newcomers and returnees suggest the two groups may have significant differences in their social behaviour towards neighbours. The latter is more likely to be in possession of existing on-site social networks due to their long term residency in the neighbourhood. The newcomers, although also originated in Shanghai, had only moved here after the completion of XFKL approximately six years ago, and so would not possess existing social networks. In addition, because the returnees had bought their dwellings with substantial subsidies from the government while the newcomers had not (see next section), the latter is potentially wealthier, which could yield different social routines (e.g. leisure activities) and hence their interaction with neighbours.

Before we start, let us first explore the socio-demographics of the two groups, which could offer clues to their social dynamics (Table 8-2). On the basic level, the two groups were very similar. Their mean ages were in the late 50s (55 for newcomers and 57 for returnees). The vast majority of residents were using their dwelling in XFKL as a permanent residence. The vast majority of both groups were married; with similar proportions of divorcees and widows (returnees have a higher proportion of singletons). About a fifth of the households in both groups reported to have school-age children. Overall, these indicators suggest that newcomers and returnees were at a similar stage of the life cycle, which should potentially enhance their socialisation (see Suttles, 1972).

However, greater differences have been found in their education and employment attributes. Firstly, newcomers in general have a higher education -

the majority has either a technical college or university training, while the majority of returnees only have senior high school training. Secondly, a higher proportion of newcomers were in employment. Even though the majority of both were retired (51% in newcomers and 61% in returnees), about twice the proportion of newcomers were employed (43% vs. 24%). Thirdly, newcomers possessed closer employment ties with foreign companies. Although the majority of both were employed by SOE's (52% in newcomers and 44% in returnees), a higher proportion of newcomers were employed by Sino joint-ventures (by 14 percentage points), while a higher proportion of returnees were employed by private Chinese enterprises (by 22 percentage points). Fourthly, newcomers occupied higher positions in the job market. Although both groups have about the same proportion of principals or senior directors, newcomers have a higher proportion of admin or technical staff (40%), while the vast majority of returnees (67%) were basic staff or labourers. Fifthly, newcomers were wealthier. Although the majority of both earned between 3,000-5,999 yuan/month, more than a third of newcomers were earning more than 6,000 yuan/month, while more than half of returnees were making less than 2,999 yuan/month. Overall, newcomers have a higher social status and incomes than returnees, which could potentially lead them to different social circles, lifestyles and routines (e.g. lifeworlds). These factors can potentially diminish their socialisation.

Table 8- 2 XFKL: socio-demographic attributes (newcomers vs. returnees)

	Newcomers	Returnees
Mean age (yrs)	55	57
Here as permanent address (yes) (%)	87.2	97.5
Have school age children (Yes) (%)	20.8	22.0
Marital status (%)		
Married	78.6	85.7
Divorced/widowed	11.9	14.3
Single	9.5	0.0
Education (%)		
Junior high school & below	6.4	17.1
Senior high school	29.8	56.1
Technical college	31.9	19.5
University (and above)	31.9	7.3
Employment (%)		
Employed	42.6	24.4
Unemployed/laid off	2.1	9.8
Retired	51.1	61.0
Others	4.5	4.9
Employer (%)		
Government agency	14.3	11.1
SOE	52.4	44.4
Private Chinese enterprise	0.0	22.2
Foreign enterprise	19.0	22.2
Sino-foreign joint-venture	14.3	0.0
Position at work (%)		
Principal/senior director	35.0	33.3
Mid-level management	0.0	0.0
Admin/technical staff	40.0	0.0
Normal staff/labourer	25.0	66.7
Household income (mean) (%)		
< 1,600	6.5	12.8
1,600-2,999	26.1	41.0
3,000-5,999	30.4	43.6
6,000-14,999	26.1	2.6
15,000-29,999	10.9	0.0

Now we will explore the social dynamics among residents. During the analysis, each indicator of social interaction has been organised into three categories - newcomers, returnees, and the estate's population as a whole - for three purposes. Firstly, newcomers in XFKL had purchased their dwellings without government subsidies, so their socio-economic attributes are potentially similar to residents in other (similar price range) middle-income commodity estates, which could mean similar attitudes and social behaviours towards neighbours. So data from this category can be used to indicate how the intra-estate social dynamics of a middle-income commodity estate is potentially different to the residents from the traditional old estates and new upmarket commodity estates examined in Chapters 6 and 7. Secondly, comparing the data between the newcomers and returnees can allow us to explore the behavioural differences between these two distinct social groups. Thirdly, data on the entire estate's

population illustrates the behavioural characteristic of this unique 'mixed estate'. By comparing data on these against data on newcomers (i.e. a proxy for middle-income estates), effects on the social interaction of a middle-income estate as a whole by the presence of returnees can be illustrated. Taking clues from the analysis in Chapter 7, the author suspects the newcomers to have less interaction with neighbours than returnees, while the returnees should behave more like residents from the traditional estates (see chapter 6). Based on this hypothesis, the presence of returnees in XFKL should statistically smooth out some extremities of behaviours influenced by the presence of newcomers.¹⁷⁴ As the last point can be easily communicated by the figures listed in the tables, the following analysis will only elaborate on indicators regarding the newcomers and returnees.

Like chapters 6 and 7, the same areas of social engagement between neighbours will be investigated, including:

- Residents' definition of neighbours and attitudes toward interaction
- Residents' knowledge of neighbours
- Residents' activities and modes of interaction with neighbours
- Mutual help and conflicts among neighbours

8.3.1 Perceived neighbours and attitudes toward interaction

Table 8-3 shows the residents' definition of neighbours and their attitudes toward interacting with neighbours. The majority of newcomers (50%) only regarded immediate residents as neighbours, while the modal group of returnees (41%) perceived residents from their building as neighbours. These figures suggest that returnees have a slightly larger mental area for neighbours than newcomers. About a fifth of the respondents from both perceived residents from their RC as neighbours (returnees were stronger by 4 percentage points), suggesting that the concept of the RC as a neighbourhood unit still exist in the middle-income estate. This sense was stronger than the upmarket estates, and

¹⁷⁴ However, in no way does the thesis or the data imply that the two groups are mixing.

surprisingly also stronger than the traditional estates in Shimen neighbourhood. Regarding the perception on the interaction with neighbours, the majority from both groups (56% of newcomers and 53% of returnees) were open to the idea. However, slightly more returnees (11 percentage points) saw this as absolutely necessary, while slightly more newcomers (6 percentage points) were indifferent about the issue, and 2 per cent saw it as unnecessary. However, the majority of both expressed their outright willingness to participate in estate activities. Although a higher proportion of returnees expressed this view (by 15 percentage points). In general, returnees appear to be more open and willing to interact with their neighbours.

Table 8- 3 XFKL: definition of neighbours and attitudes toward interaction

(%)	Newcomers only	Returnees only	All residents
Who do you perceive as neighbours?			
Only people living next door, or on the same floor	50.0	27.0	39.8
Only occupiers of the same building	21.7	40.5	30.1
Occupiers of adjacent buildings	6.5	2.7	4.8
Occupiers in buildings of the same estate	4.3	8.1	6.0
People belonging to the same RC	17.4	21.6	19.3
View on interaction with neighbours?			
Absolutely necessary	17.8	28.9	22.9
Can have some interaction	55.6	52.6	54.2
I don't care	24.4	18.4	21.7
Unnecessary	2.2	0.0	1.2
Would you take part in activities organised by your estate?			
Yes, I'm willing	53.3	68.4	60.2
Yes, but have no time	8.9	13.2	10.8
Yes, if it doesn't clash with my schedule	20.0	7.9	14.5
Yes, I see it as compulsory	2.2	0.0	1.2
I don't care	13.3	7.9	10.8
No	2.2	2.6	2.4

8.3.2 Knowledge of neighbours

Table 8-4 shows the residents' knowledge of their neighbours. Respondents were asked how many neighbours they know from their estate, excluding family and relatives. The returnees appeared to have a better knowledge of their neighbours. Although the majority from both reported to know less than 10 neighbours (43% of newcomers, 33% of returnees), returnees who knew between 10 and 29 neighbours were by 9 percentage points higher than newcomers. Moreover those who knew between 30 and 99 neighbours were higher by 11 percentage points, and those who knew more than 100 neighbours

were 4 percentage points higher. Furthermore all of the returnees knew some neighbours, while about 15 per cent of newcomers reported to know no neighbours at all. In addition, although the majority of both reported to know some of the information about their neighbours (57% of newcomers, 71% of returnees), a higher proportion of returnees reported to know most of the information about their neighbours' names, work and personal preferences (by 8 percentage points), while a significantly higher proportion of newcomers knew none of these (by 18 percentage points).

Table 8- 4 XFKL: knowledge of neighbours

(%)	Newcomers only	Returnees only	All residents
How many neighbours do you know in your estate? (Excluding family and relatives)			
None what so ever	14.9	0.0	8.1
< 10 people	42.6	33.3	38.4
Between 10 & 29 people	19.1	28.2	23.3
Between 30 to 99 people	17.0	28.2	22.1
More than 100 people	6.4	10.3	8.1
Do you know about your neighbours' names, work and personal preferences?			
All of these	4.3	0.0	2.4
Most of these	13.0	21.1	16.7
Some of these	56.5	71.1	63.1
None of these	26.1	7.9	17.9

8.3.3 Interaction with neighbours

Table 8-5 shows the residents' interaction with neighbours from their own estate. The behaviours of newcomers and returnees contrasted sharply in this category. The majority of newcomers (49%) reported to 'never', or have 'almost never' interacted with neighbours at all. Only about a quarter of newcomers reported to have daily interaction with neighbours. In contrast, the majority of returnees (50%) interacted daily with neighbours, with only about a fifth (23%) who have almost never interacted with neighbours. In addition, most of the newcomers appeared to interact only with their immediate neighbours, while returnees interacted with neighbours from a larger coverage area. For example, the majority of newcomers (43%) interacted with neighbours from their next door, or from the same floor, while the majority of returnees (35%) interacted with neighbours from their RC. Moreover, slightly higher proportions of returnees interacted with neighbours from their buildings (by 6 percentage points), and

neighbours living in other buildings in their estate (by 9 percentage points). However, a quarter of newcomers reported to interact with neighbours from their RC. This reinforces the earlier observation that the concept of the RC as a neighbourhood unit is stronger here than the other estates in the neighbourhood.

Furthermore, residents were asked about their spare time activities. Respondents were able to select multiple activities on the questionnaire which fit their usual spare time routines. Consistent with findings from the traditional and the upmarket estates, solo activities and spending time with friends/family were chosen by significant proportions of both groups. However, a much higher proportion of returnees reported to participate in estate activities (by 15 percentage points) and interact with neighbours (by 14 percentage points) as their spare time activity. In this regard, behaviours of newcomers were more similar to residents in upmarket estates, while returnees appeared to have retained the convivial social characteristics of residents in traditional estates which incorporate neighbours in their normal daily routines.

Table 8- 5 XFKL: interaction with neighbours

(%)	Newcomers only	Returnees only	All residents
Frequency of interacting with neighbours			
Everyday	25.5	50.0	36.8
A few times a week	17.0	15.0	16.1
A few times a month	8.5	12.5	10.3
Almost never	31.9	22.5	27.6
None at all	17.0	0.0	9.2
Almost never & none at all	48.9	22.5	36.8
Who do you interact with regularly?			
Only people living next door, or on the same floor	43.2	18.9	32.1
Only occupiers of the same building	15.9	21.6	18.5
Occupiers of adjacent buildings	11.1	10.8	11.1
Occupiers in buildings of the same estate	4.5	13.5	8.6
People belonging to the same RC	25.0	35.1	29.6
What do you usually do in your spare time? (Yes)			
Solo activity	39.6	51.4	44.7
Take part in activities organised by the estate	22.9	37.8	29.4
Interact with neighbours (chatting, playing cards etc)	2.1	16.2	8.2
Spend time with friends/family	47.9	35.1	42.4
Other	33.3	16.2	25.9

However, this contrasting behaviour has not been reflected in their usage of public spaces. Table 8-6 indicates where respondents spend most of their spare time. The majority of both reported to spend most of their spare time at home (47% of newcomers and 55% of returnees). Just fewer than 30 per cent of respondents from both would spend their spare time in the estate's public area. However previous interactive indicators have suggested that returnees were more likely to interact with neighbours while the newcomers would not. Furthermore, a slightly higher proportion of newcomers (by 8 percentage points) would venture out of the estate during their spare time. This is probably due to their socio-demographic differences, which consisted of a higher income and a greater proportion of residents in employment, leading to larger social worlds.

Table 8- 6 XFKL: where residents spend most of their spare time?

(%)	Newcomers only	Returnees only	All residents
At home	46.8	55.3	50.6
In the estate's public area	29.8	28.9	29.4
Outside of the estate	23.4	15.8	20.0

Depth of social engagement

Table 8-7 shows the depth of social engagement among residents. The same table from chapters 6 and 7 has been used, which indicates progressively deeper levels of social engagement among residents. In the table, a high proportion of resident engagement involves the practice of more than 50 per cent of the residents, a moderate proportion is between 25 and 49 per cent, and a low proportion is anything below 25 per cent. Overall, returnees have a greater participation in the first level interaction (i.e. greeting to neighbours). Although newcomers' participation in greetings was high, the proportion of returnees' participation was 9 percentage points higher. For the second level interaction of chatting with neighbours, only a moderate level of participation was recorded in newcomers (29%), while the participation by returnees was high, at 56 per cent (or 27 percentage points higher). However, the participation in other levels of interactions was about the same for the two groups. The act of borrowing was minimal for both, while acts of discussing issues of mutual concern involved only between 1 in 5 and 1 in 6 of respondents. Surprisingly, the third level of attending the same activities/hobbies was participated by both

groups at moderate levels (29% of newcomers and 31% of returnees). This was higher than the levels found in all the other estates in Shimen neighbourhood, including the two traditional estates. This difference was probably due to the more proactive RC in XFKL, which not only organised community activities in the estate, but the activities were facilitated by having better public facilities (such as reading and activity rooms) than other traditional estates. In general, the depth of social interaction in XFKL was slightly weaker than the traditional estates (apart from the category of attending the same activities/hobbies), but much stronger than the upmarket estates, which recorded very low levels of resident participation in the second and third levels of social engagement.

Table 8- 7 XFKL: depth of social engagement with neighbours

Depth of engagement	Do you? (yes) (%)	Newcomers only	Returnees only	All residents	Proportion of engagement
First level	Greet them when you see them	78.6	87.2	82.7	High
Second level	Chat with them	28.6	56.4	42.0	Moderate/high
Second level	Borrow things from each other	0.0	2.6	1.2	Low
Third level	Discuss issues of mutual concern	14.3	17.9	16.0	Low
Third level	Attend same activities/hobbies	28.6	30.8	29.6	Moderate
Unspecified	Others	9.5	5.1	7.4	Low

8.3.4 Mutual help and conflicts among residents

Past studies on post-reform Chinese cities have not yet explored the differences in mutual help between newcomers and returnees in mixed estates. Will newcomers, with their higher socio-economic attributes e.g. like the resident in upmarket estates, diminish their reliance on neighbours and the RC? Will the internalisation of facilities in new dwellings reduce the exchanges of mutual help for returnees as the daily needs to share basic amenities have been reduced? How will the behaviours of the two compare?

Table 8-8 shows the residents' help structure in XFKL. Respondents were asked to select their top three choices of help from a list of potential sources when they faced trouble. Results show that newcomers and returnees behave rather similarly in this aspect of interaction, and that the usefulness of neighbours has

diminished for both groups. Their top three choices of help were friends, the family and the RC. Neighbours was the fifth most popular choice for newcomers, and the fourth most popular for returnees. In addition, the majority had not exchanged mutual help with neighbours in the last 6 months. For both groups, about 73 per cent did not help a neighbour, and about 77 per cent did not receive help from a neighbour. These suggest that the helping role of neighbours has diminished significantly compared to the traditional estates. The only area that neighbours still appeared to have a role was in the 'look-out' of dwellings as the majority from both would inform neighbours when they planned a period of long absence from home. This was possibly due to the fact that XFKL has a comparatively weak level of security than upmarket estates, and that most dwelling in XFKL were not provided with secured mail boxes or porters in their building who could provide additional security or collect mails on the residents' behalf during their absence. Coming back to the lingering reliance on the RC as a source of help, this was possibly due to the large proportion of old and retired residents in XFKL. Being out of job and possibly under greater financial strain, some of these residents could still be counting on the social services provided by their RC, hence retaining their dependency on this community body. When compared to residents in traditional estates, respondents in XFKL have lost their reliance on neighbours, but have retained their reliance on friends and the RC.

Table 8- 8 XFKL: residents' help structure

(%)	Newcomers only	Returnees only	All residents
If you encountered a problem, which of the following options would be your top 3 choices for help? (Yes)			
Neighbour(s)	21.7	31.7	26.4
Friend(s)	45.7	51.2	48.3
Family	78.3	80.5	79.3
Work	8.7	7.3	8.0
The resident committee	39.1	46.3	42.5
No one but myself	26.1	19.5	23.0
Housing management company	13.0	22.0	17.2
The police	8.7	14.6	11.5
Within the last 6 months, have you ever helped neighbour(s)?			
Yes	27.7	27.0	27.4
No	72.3	73.0	72.6
Within the last 6 months, have you ever received help from neighbour(s)?			
Yes	23.4	22.2	22.9
No	76.6	77.8	77.1
Do you inform your neighbour(s) when you or your family go away from home for a lengthy period of time (i.e. travel)?			
Yes	61.7	76.9	68.6
No	38.3	23.1	31.4

Regarding conflicts, respondents in XFKL have been suspected to have fewer conflicts than residents in traditional estates. Since basic amenities (WC and kitchen) in XFKL had been internalised in separate dwellings, the main cause of conflicts found in traditional estates had been removed in this situation. Table 8-9 illustrates the frequency of disputes among these residents, and shows indeed that conflicts were rare.¹⁷⁵

Table 8- 9 XFKL: conflicts with neighbours

(%)	Newcomers only	Returnees only	All residents
How often do you have conflicts with neighbours?			
None	88.4	91.9	90.0
Rarely	9.3	5.4	7.5
Sometimes	0.0	2.7	1.3
Frequently	2.3	0.0	1.3

8.4 A large scale socially-orientated housing renewal project

So far there has only been a handful of socially-orientated renewal projects successfully developed in central Shanghai. This specifically means projects

¹⁷⁵ Not enough responses were received for the reasons for conflicts

that have achieved successful on-site reallocation of original residents after redevelopment. XFKL, in Shimen neighbourhood, is the first large scale redevelopment of this kind, and the most successful among them in terms of the quantity of returnees. The project represents a unique case of housing redevelopment whereby direct state involvement was responsible for the creation of a 'mixed estate' in terms of newcomers and returnees, and the development of a middle-income estate. Both contributions played an important part in the creation of the mixed neighbourhood in Shimen area, which allowed two groups of residents of different socio-economic attributes to reside in an estate.

HAFI – a socially-orientated housing renewal programme

XFKL was developed by a state-affiliated developer as a trial project under HAFI to renew an entire block of old housing (Tian and Wong, 2007). Under HAFI (refer to chapter 4), the project embodied a social ambition to resettle back as many original residents as possible after redevelopment. Any 'extra' dwellings in surplus to the needs of returnees were to be sold on the market. When the project began in 1997, Shanghai was suffering from a severe slump in the property market. The unprecedented construction boom in the early 1990s had created an oversupply of market housing. By 1997 a great amount of commodity dwellings were lying empty and unsold in the city (Haila, 1999; Jiang *et al.* 1998). More importantly, the over-accumulation of housing had brought Shanghai's initial urban renewal programme (the 365 slum clearance) to a halt (Liao and Zhao, 1996). As mentioned in chapter 4, the SMG identified at the end of 1996 that a substantial amount of old housing in the inner-city still required renewal. However the depressed market meant that no developers would take on new projects to sustain renewal activities (Liao and Zhao, 1996).

During the slum clearance programme, the SMG launched a renewal programme in parallel, which involved the fulfilment of modern facilities in existing municipal houses, called the Housing Amenities Fulfilment Initiative (HAFI). The programme ran from 1991 to 2000. Initial trials of HAFI in the early

1990s involved only small scale projects. The main focus was on dilapidated old houses suffering from space shortage and a lack of private facilities such as WC and kitchen. Projects under HAFI tried to perform structural repairs, and if space allowed it, install privatised facilities in old dwellings (Xu, 2004). Moreover, they were financed completely by the government and free of charge to the affected residents. Furthermore, residents were all allowed to move back after the renewal (Xu, 2004). However, there were two major shortfalls of this approach. Firstly, the renewal was not comprehensive enough in its scope, so that households' space shortage often persisted even after the renewal because no space was added to the original structure. Secondly, the quality of renewal was poor even though the capital investment was high.¹⁷⁶ These shortfalls eventually led the SMG to initiate trials involving the complete demolition of existing housing. The new approach would allow buildings to be constructed to better standards, including the inclusion of private facilities, and to enlarge the size of dwellings to alleviate space shortage (interview by S. Wang with the ex-director of the Amenity Fulfilment Office of Jing'an district on 2 April 2007)

In 1997, the SMG expanded the scope of HAFI from small scale rehabilitation to the redevelopment of large plots (*chen pian*) (Tian and Wong, 2007). For an area to qualify as a large plot, it must satisfy several criteria. First, its size has to exceed 5,000 m². Second, over 70 per cent of the housing stock on the plot must be old-style *lilong* houses. Third, the plot must have an original residential density of 550 households per 10,000 m². In order to encourage the renewal of really dilapidated houses, beneficial policies were granted to plots containing more than ninety per cent of old-style *lilong* houses (Personal interview with a senior planning official from Jing'an District Planning Bureau, 28 Sep 2007). Parallel to expanding the scope of HAFI, a new funding principle for housing renewal was enacted in the city. This involved the government in continuing its provision of beneficial policies to encourage development, but now the developers and residents would both have to contribute money towards the

¹⁷⁶ In earlier rounds of government renewal during the 1980s and 1990s, development were carried out to low standards, and a decade later, many have deteriorated back to dilapidated conditions (Wu and He, 2005)

reconstruction. XFKL was renewed under these circumstances.¹⁷⁷

The state as the developer and the facilitator of development

At the same time, the Housing and Land Administration Bureau in Jing'an district was undergoing major restructuring. This involved the separation of its enterprise functions from its government operation functions. The former later became the Jing'an Property Development Company (JPDC) - a development company affiliated to the district government.¹⁷⁸ It was thought at the time that the people from the Housing Bureau would be the best suited to carry out the renewal of old estates because they used to manage the city's public housing. Back in 1997, real estate development was a new industry in China, and many companies had little experience with negotiating with residents and dealing with relocation.¹⁷⁹ Consequently, JPDC selected FKL as the pilot trial for the large plot renewal under HAFI. Since XFKL was never intended to be a luxury housing project, the standard of its apartment design and the quality of materials and finishes used in the development was soon surpassed by subsequent developments aimed at the luxury housing market in its adjacency (such as CC and ILC, see chapter 7). These differences in quality had confined XFKL as a middle price range (middle-income) housing estate in central Shanghai.

Having qualified under HAFI, the project received substantial government support to facilitate its development. These included concessions on its FAR (at 2.8), the exemption of land leasing fee (i.e. the land was free) and other administration fees related to its development. In addition, the project was granted a special loan of 100 million yuan by the municipal Housing Provident Fund, which embodied an extremely low interest rate. Furthermore, the income tax levied on the sales of apartments in XFKL has been exempted in order to assist the developer's cash flow. Because the goal of the development was to

¹⁷⁷ Interview by S. Wang with the ex-director of the Amenity Fulfilment Office of Jing'an district on 2 April 2007

¹⁷⁸ JPDC was also responsible for the development of ILC (see chapter 7)

¹⁷⁹ Interview by S. Wang with the ex-director of the Amenity Fulfilment Office of Jing'an district on 2 April 2007

experiment with a socially-orientated renewal of HAFI, the project basically aimed to break even. According to a senior official from Jing'an District Planning Bureau, the profit margin was set at a low 1.7 per cent.

Compensation and reallocation of original residents

Any original residents from the plot, who wished to return, were offered opportunities to do so provided that they purchased the property right of their new dwellings. Residents' decision to return was completely voluntary. Three methods of compensation were offered during the relocation process. Residents could choose from on-site resettlement (with subsidised purchase), relocation to a new dwelling provided elsewhere (i.e. in-kind compensation), or monetary compensation. For the last option, residents would have to find their own accommodation on the market. Under the socially-orientated renewal programme, several special subsidies were offered to residents as part of their compensation. According to a senior official from Jing'an District's Urban Planning Bureau, compensations were calculated as follows:

Residents opting for on-site resettlement (i.e. returnees) were allowed to purchase a dwelling as large as they wish provided they could afford it. Regarding subsidies, residents could receive a new dwelling in XFKL with the equivalent size to their previous dwelling at no cost. However, if they wish to acquire a larger dwelling, they would have to pay for the extra floor areas exceeding their original dwelling size. For any additional space up to 12 m², these would be charged at the market price with a 30 per cent discount. For any additional space exceeding this, residents would receive a 10 per cent discount on the market price. However the majority of the smallest apartments offered in XFKL were around 70 m², which meant that there was a minimum cost involved for returnees to return. For example, if a household had an original dwelling of 50 m² on the plot, but they wanted to settle into a new 70 m² dwelling in XFKL at a market price of 5,000 yuan/m², they would have to pay 42,000 yuan for the first additional 12 m² and further 36,000 yuan for the remaining 8 m². This

means that the resettlement would have cost the household 78,000 yuan.¹⁸⁰ On average the returnees paid 120,000 yuan in their resettlement in XFKL.¹⁸¹

For those who chose to be compensated by a new off-site dwelling, new housing was constructed in a relocation base - Jing'an New Town (*Jing'an Xincheng*) - near Shanghai's second ring-road in Minhan district (Zhao *et al.* 1998), approximately 11 km South West of XFKL. A special offer to residents guaranteed that each member in the relocating household would receive at least 24 m² of space in their new dwelling free of charge. Furthermore, a single offspring in the household would be counted as two persons. This meant that a three-person household would receive a new dwelling of at least 96 m², which would normally contain at least 2 bedrooms and 1 living room. For a three person household who used to share a single bedroom dwelling, this option would solve their space shortage. It was also very appealing to households which could not afford the cost of on-site resettlement, as they did not have to invest any money during the relocation process.¹⁸²

For those who opted for full monetary compensation, the amount was calculated using the market rate based on the floor areas of their original dwellings. Residents who preferred to find their own dwelling on the market selected this option.¹⁸³ During the relocation process, households had one month to decide the form of their compensation. Public meetings were organised for residents to exchange ideas. Once a household had made a decision, a contract was signed with the developer. According to the developer, those who wanted to return were the first to sign their contracts because they wanted to have priority in selecting their new apartments from plan (because the development has yet to be constructed). Households who decided to return but signed the contract late were left to select from apartments either on the top

¹⁸⁰ Personal interview with a senior official from Jing'an District's Urban Planning Bureau on 28 September 2007.

¹⁸¹ Interview by S. Wang with the ex-director of the Amenity Fulfilment Office of Jing'an district on 2 April 2007

¹⁸² Personal interview with a senior official from Jing'an District's Urban Planning Bureau on 28 September 2007

¹⁸³ Personal interview with a senior official from Jing'an District's Urban Planning Bureau on 28 September 2007

or on the ground floors because these were less desirable units.¹⁸⁴ The returnees had to pay the money up front, as the money was then used to pay for the development of the estate. During the two years of construction, would be returnees were responsible to take care of their own housing needs during this transition period (*guoduqi*) e.g. either by renting market dwellings or crash with friends or family.¹⁸⁵

Outcome: a socially-mixed middle-income estate fostered by the state

In the end, about fifty per cent of the original households returned to XFKL. The remaining apartments in XFKL were sold on the market based on the full market price. The proceeds from the sale of these commodity apartments were used to recover the costs of the development. Once resettled in XFKL, returnees received an additional discount on their monthly service charges, which was set in accordance with the old municipal rental housing, to help reducing their living expenses. Residents in commodity apartments (those sold at the market price), were charged the market rate (see chapter 5).

XFKL therefore represents a case where mechanisms of direct state intervention were responsible in the creation of a mixed-income estate in a prime central location in Shanghai. The socially orientated housing renewal programme was taken on by a developer affiliated with the government, which were assisted by substantial state subsidies both to assist the development of the estate and to assist the on-site resettlement of original residents, which ultimately produced a mixed estate comprising of middle- to lower-income returnees and middle-income newcomers.

Subsequent evolution of on-site resettlement in Shanghai

In reality, the contribution of this mechanism in the formation of socially-mixed

¹⁸⁴ Lower floors suffered from poor natural lighting, and the upper floors suffered from the need to climb stairs (as returnee dwellings do not have elevators). Interview by S. Wang with the ex-director of the Amenity Fulfilment Office of Jing'an district on 2 April 2007

¹⁸⁵ Personal interview with a senior official from Jing'an District's Urban Planning Bureau on 28 September 2007

neighbourhoods was limited in scope. Despite having successfully achieved its initial aim of large scale renewal with a high proportion of on-site resettlement, housing renewal of this kind had been discontinued in Shanghai. There were three subsequent renewal projects that contained on-site resettlement in Jing'an district, but the proportions of returnees had been scaled down significantly. One of which was ILC (see chapter 7). The others were Zhongkai Light City estate (see Y. Huang, 2006c) and "one street district" project (*yi jie qu*).¹⁸⁶

According to the ex-manager of the Jing'an Relocation Office, finance has been the main obstacle for its continuation. There were three key reasons why such socially orientated trials could not be continued. Firstly, because the relocation cost had become much higher. The rising house prices in Shanghai had significantly increased the costs of preparing relocation housing. If the price of on-site resettlement housing has to be kept low, it would be impossible to balance the development cost. During the development of XFKL, it cost around 150,000 yuan to prepare a relocation dwelling, while the returnees paid approximately 120,000 yuan for an on-site resettlement dwelling. This amount of deficit could be recovered by the sale of surplus commodity housing. However by 2007, the cost of preparing a relocation dwelling had risen to around 1 million yuan in central Shanghai (see CC in chapter 7). This means that unless the government was willing to fund money losing schemes, it could not be continued because no developers would take part in such a development.

Secondly, residents' expectations in compensation had increased immensely. In the early period of housing renewal, returnees were happy with a new dwelling of about 70 m² because this meant a substantial enlargement to their original dwellings. However residents began to demand bigger units. Since their purchases had to be substantially subsidised by the government, the larger the compensation dwelling, the higher the subsidy was required. This had also made the scheme difficult to continue. Thirdly, because negotiations regarding relocation were time consuming, the speed of inflation of housing prices had

¹⁸⁶ Personal communication with a senior planning official from Jing'an District Planning Bureau on 14 Nov 2009

generally outpaced the negotiation processes. Driven by the market, households' demands for compensation at the beginning and at the end of a negotiation period could change substantially. In 2004, the government could relocate a household for 200,000 yuan. By 2007, only three years later, some households may require 1.5 million yuan to relocate. More importantly, these households could be located at two opposite sides of a lane. Residents would perceive the compensation as highly unfair if they lived in proximity but received such discrepancy in compensation.¹⁸⁷

For the third round of old district renewal (2005-2010), the SMG issued a new definition of on-site resettlement, which now refers to any relocation of residents within their original district. In Jing'an district for example, several new bases have been developed to reallocate residents (i.e. returnees) affected by redevelopment in the district. These included Yangguang Mingdu and Da'an Jingyuan estates.¹⁸⁸ Both of these estates contained dwellings bought by returnees and new households who had purchased their dwellings via the market. The only difference was that service charges had been unified in these estates and that the income differences between returnees and other newcomers have become smaller than those found in XFKL.¹⁸⁹

8.5 Conclusion

This chapter has explored the middle-income estate - XFKL- in Shimen neighbourhood in detail. In particular, it has examined its physical and living conditions, the intra-estate social interaction among its residents (especially the different social dynamics between the returnees and newcomers), and the mechanisms responsible for its development.

It has shown that the living conditions in XFKL were much better than the

¹⁸⁷ Interview by S. Wang with the ex-director of the Amenity Fulfilment Office of Jing'an district on 2 April 2007

¹⁸⁸ Yangguang Mindu is bordered by Anyuan Rd, Yuyao Rd and Wuning Nan Rd. Da'an Jingyuan is bordered by Xikang Rd, Haifang Rd, Changde Rd and Anyuan Rd.

¹⁸⁹ Personal email exchange with a senior official from Jing'an District Planning Bureau on 18 November 2009

traditional estates. All the dwellings have been equipped with a private bathroom, toilet and kitchen. Enlarged dwelling sizes in the estate (70 m² or more) meant that many returnee families have an independent bedroom for their offspring, which many residents were grateful. However the differences between commodity dwellings and returnee dwellings were considerable. Space was economical in returnee dwellings. They were smaller, had lower ceilings, and often less functional layouts. These units also suffered from poorer exposure to sunlight due to narrow spacing between adjacent returnee buildings. No commodity dwellings were visited by the author, but judging from available photos, these looked more spacious, brighter, and have better equipments/appliances than returnee dwellings (e.g. better quality kitchen and bathroom fit-outs).

Overall the degree of intra-estate interaction in XFKL was moderate, and it fell between the extremes of the traditional and upmarket estates. However, great differences in social dynamics have been found between the returnees and newcomers. As expected, returnees in general showed greater involvement and ties with neighbours, and behaved more like the residents in traditional estates. Compared to newcomers, returnees have a larger mental area and spatial area of interaction with neighbours, which involved people ranging from their own building to neighbours from across the same RC. They also possessed a better knowledge of neighbours in terms of numbers of neighbours they know and the depth of knowledge of neighbours. Moreover, neighbours also featured more in their spare time activities in terms of the types and frequencies of interactions. Hence their presence in the estate was a significant factor in the moderate levels of social interaction recorded in the estate as a whole. The stronger interaction recorded by returnees was likely to be related to the existing social ties developed prior to redevelopment. Besides these differences, returnees and newcomers did share similar perceived sources of help, in which the helping role of neighbours found in traditional estates had been replaced by friends. Furthermore exchanges of mutual help among residents (which was stronger in traditional estates) were minimal for both the returnees and newcomers. These findings strengthened the earlier observation by Zhang *et al*

(2001) that the reduction of shared facilities has reduced opportunities and necessity for neighbours to interact, hence diluting their interdependence and closeness. The weak social dynamics displayed by newcomers in XFKL suggested that they behaved more similarly to residents in upmarket estates. However, different to those residents, they have retained their reliance on the RC and some reliance on neighbours in terms of informing them before taking on long absence from home. Comparatively weaker income and a weaker level of services provided in the middle-income estate were thought to be factors in this difference.

Finally, this chapter has shown that XFKL was the result of direct state facilitation in the creation of a mixed-income estate. It did so by fostering large scale on-site resettlement of original (poorer) residents, and selling the surplus apartments at non-subsidised prices on the market to wealthier residents in order to recover the development cost.

The state assisted the procurement of the project by providing beneficial policies involving monetary assistance and the exemption of several development related fees. Returnees were helped to move back by government subsidies on on-site resettlement costs and discounted service charges levied on dwellings. The state also played the important role as the developer. By setting the profit margin of the development artificially low, it allowed the financially taxing task of large scale on-site resettlement to be achieved. Although the practice of actual on-site resettlement has now been discontinued due to financial constraints, this mechanism has nevertheless played a small but important role in the creation of mixed neighbourhoods in central Shanghai.

Chapters 6, 7, and 8 have now examined the intra-estate social interaction of residents in the traditional, upmarket, and middle-income estates in Shimen neighbourhood. The next chapter will shift the focus on to the inter-estate social interaction in the mixed neighbourhood. In particular, the frequencies of inter-estate interaction and the use of neighbouring shops, residents' lifestyles and lifeworlds will be explored to understand these social dynamics.

9 Inter-estate social interaction

9.1 Introduction

Chapters 6, 7, and 8 have examined residents' intra-estate social interaction, which are essentially same class social interaction, as the residents share similar socio-economic attributes with residents in their own estates. This chapter will now shift the lens onto the neighbourhood itself, and examine how residents from each estate interact with residents from their surrounding estates (i.e. inter-estate interaction). In the context of a mixed neighbourhood, this topic is essentially cross-class social interaction due to the significant discrepancy between residents' socio-economic attributes. This is also the first exploration into the subject matter in the context of post-reform China.

Several aspects of inter-estate interaction will be examined here, including - the status quo and changes in the inter-estate interaction since 1997, the general lifestyles and lifeworlds of residents, and the mental and physical segregation of housing estates in the neighbourhood. This chapter is organised into 5 sections. After this introduction, section 2 will provide a general measure of the amount of inter-estate social interaction in Shimen neighbourhood, and the amount of shop usage by residents in their adjacent estates. The latter is considered important besides the measurement of social interaction because it is one type of facility that contributes to residents' casual interaction in their locality (see DETR, 1999), and one facility which is often observed as a venue for residents to interact in Shanghai's traditional estates. Following the overview of the status quo in these aspects of interaction, the levels of interaction and shop usage between 1997 and 2007 will be compared. This will help to illustrate the changes to inter-estate interaction brought on by housing redevelopment in the neighbourhood.

In section 3, indicators of residents' lifestyles and lifeworlds will be analysed. This includes residents' mobility and accessibility, their behaviours and habits of

travelling, and their residential stability in their respective estates. Moreover, the habits of grocery shopping and types of schools attended by their children will be explored as these all contribute to key spheres of social interaction. The analyses will explore similarities or differences between residents in the mixed neighbourhood, and help to explain their convergent or divergent social behaviours towards inter-estate interaction. Section 4 will analyse residents' mental perceptions related to inter-estate interaction such as their sense of security and their attitudes towards gating. It will also examine the effects of physical segregation of estates due to gating and physical designs to privatise domains in new commodity estates, which can be detrimental to the fostering of casual social interaction in the neighbourhood. Together, these indicators will help to explain how the processes of introducing social mix in the neighbourhood have affected the inter-estate social interactions among residents. Section 5 concludes the main findings in the chapter.

9.2 Inter-estate social interactions

This section examines the frequency of residents' inter-estate interaction and the frequency of shop usage in the neighbourhood.

9.2.1 Frequency of inter-estate social interaction in 2007

Respondents were asked to reflect on the amount of interaction they have with their neighbours in 2007. The aim of this was to reflect the status quo of inter-estate interaction in the neighbourhood, so all the residents were presented with this question, including residents in old estates, newcomers in commodity estates and returnees in renewed estates. Only the responses from residents of CC were not collected because the estate had only been completed 6 months prior to the survey, and most of the residents have not yet moved in.

Figure 9-1 identifies the five estates in question. Xinyuancun estate (XYC), which was the site of the pilot study for this research, has been included in this analysis. In the urban block containing CC and ZHXC, only the former was

considered in this analysis. This is because the size of ZHXC is very small, so prior to the development of CC the entire street block was better known as Hong Qing Li. Since the research will compare the degree of interaction and the use of shops in these estates between 1997 and 2007, it has been decided to focus on the main estate in this block (where the majority of people and shops on this block were to be found). Finally, because the estates to the North and South of CC were undergoing major redevelopment (and demolition) at the time of the survey, these were also excluded in the analysis.

Figure 9- 1 Shimen neighbourhood showing the 5 estates in question



Table 9-1 shows the proportion of respondents from each of the four estates (HFXQ, XFKL, ILC, and ZHXC), who have frequent social interaction with residents from their adjacent estates in 2007. Overall, a very low proportion of respondents have frequent inter-estate interaction. There was only one instance where the proportion of frequent inter-estate interaction was moderate (i.e. above 20%), which was the interaction between the residents from ZHXC and XYC (25%). In all other instances, the proportion of respondents was below 20 per cent and in many cases much lower. Overall the average proportion of respondents having frequent inter-estate social interaction here was only 5 per

cent. In stark contrast, the average proportion of respondents who have rarely interacted with residents from adjacent estates was 72 per cent (Table 9-2). Apart from ZHXC residents, the vast majority of respondents from HFXQ, XFKL and ILC rarely interact with residents from their adjacent estates (above 60%).

Table 9- 1 Residents with frequent inter-estate interactions in 2007 (% of respondents)

		Addresses of neighbours whom respondents interact with				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	9.7	43.7	19.0	14.8	0.0
	XFKL	3.8	9.1	41.7	7.4	3.8
	ILC	0.0	0.0	17.1	29.6	0.0
	ZHXC	25.0	0.0	0.0	0.0	70.0

Grey boxes= amount of intra-estate interaction
Av= 5.3%

Table 9- 2 Residents with rare inter-estate interactions in 2007 (% of respondents)

		Addresses of neighbours whom respondents interact with				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	77.4	29.9	59.5	81.5	87.5
	XFKL	92.3	78.2	50.0	90.7	92.3
	ILC	83.3	92.6	60.0	46.3	86.2
	ZHXC	25.0	66.7	37.5	33.3	0.0

Grey boxes= amount of intra-estate interaction
Av= 71.5%

9.2.2 Changes in inter-estate interactions since 1997

In order to show the changes in the degree of inter-estate social interaction, behaviours of residents from 1997 and 2007 are compared. Responses were gathered from residents who have the experience of both periods. This means residents in old estates (longstanding) and returnees in redeveloped estates (XFKL and ILC). Responses were not obtained from CC estate because it did not contain any returnee residents who have knowledge of the past conditions.

Due to redevelopment, names of several estates had changed since 1997. Fukangli (FKL) had become Xing Fukangli (XFKL). Hong Qing Li (HQL) had

become today's City Castle (CC). Zhang Jia Zhai (ZJZ) had become International Landoll City (ILC). Because the footprints of these estates had remained the same, only the 2007 names of these plots will be used in the analysis to avoid causing confusion for the readers.

In addition, data for the 1997 period are based on residents' recollections of the past. It is possible that their answers could embody some hindsight reasoning (e.g. describing the past on the basis of how they feel about the present or being influenced by nostalgia for the past), which could result in a rosier picture of the past than perhaps more impersonal evidence would produce. However, because there are no impartial 1997 data for this study to use, the current data offer the best available indicators of the past conditions. Possible distortions have been kept mind when analysing the data.

In 1997, the average proportion of respondents who had frequent social interaction with residents from adjacent estates was 17 per cent (Table 9-3). There were four instances of moderate level participation in frequent inter-estate interaction (in which more than 20 per cent of respondents were involved), and another 5 instances where the proportions of respondents were just under 20 per cent. However, by 2007, the average proportion of respondents who had frequent interaction with residents from adjacent estates had fallen to 7 per cent (Table 9-4). Table 9-5 shows the changes in percentage points in these inter-estate interactions. Apart from the minute increases in percentages between residents in HFXQ and XYC, and between residents in ILC and XFKL, the remaining inter-estate interactions had all suffered losses. The average drop in frequent inter-estate interaction in the neighbourhood between 1997 and 2007 was 10 percentage points (coloured in red).

Table 9- 3 Residents with frequent inter-estate interactions in 1997 (% of respondents)

		Addresses of neighbours whom respondents interact with				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	5.1	36.0	23.5	16.7	0.0
	XFKL	18.4	18.4	45.8	19.4	18.4
	ILC	10.0	11.1	33.3	41.7	11.1
	ZHXC	44.4	x	40.0	x	62.5

Grey boxes= amount of intra-estate interaction

Av: 16.9%

Table 9- 4 Residents with frequent inter-estate interactions in 2007 (% of respondents)

		Addresses of neighbours whom respondents interact with				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	9.7	43.7	19.0	14.8	0.0
	XFKL	2.8	5.6	25.0	2.8	2.8
	ILC	0.0	0.0	35.7	56.3	0.0
	ZHXC	25.0	0.0	0.0	0.0	70.0

Grey boxes= amount of intra-estate interaction

Av: 7.4%

Table 9- 5 Changes in residents with frequent inter-estate interaction since 1997 (percentage points)

		Addresses of neighbours whom respondents interact with				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	+4.6	-7.7	-4.5	-1.9	0.0
	XFKL	-15.6	-12.8	-20.8	-16.6	-15.6
	ILC	-10.0	-11.1	+2.4	+14.6	-11.1
	ZHXC	-19.4	x	-40.0	x	+7.5

Grey boxes= amount of intra-block interaction

Green boxes= increases

Red boxes= decreases

Av change: -9.5 percentage points

Conversely, the proportion of respondents who have rare social interaction with residents from adjacent estates has increased since 1997. In 1997, the average proportion of respondents who had rare social interaction with residents from adjacent estates was 60 per cent (Table 9-6). By 2007, this proportion had risen to 71 per cent (Table 9-7). Apart from 1 incident where the proportion of rare inter-estate interaction has decreased (between the residents of ILC and XFKL), all the other instances have experienced increases in the proportion of respondents with rare interactions (Table 9-8). The average increase was 11

percentage points over the period.

Table 9- 6 Residents with rare inter-estate interactions in 1997 (% of respondents)

		Addresses of neighbours whom respondents interact with				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	69.2	24.4	39.2	66.7	74.3
	XFKL	71.1	52.6	33.3	63.9	68.4
	ILC	80.0	77.8	50.0	50.0	77.8
	ZHXC	22.2	x	20.0	x	0.0

Grey boxes= amount of intra-estate interaction

X= not enough responses

Av: 59.5%

Table 9- 7 Residents with rare inter-estate interactions in 2007 (% of respondents)

		Addresses of neighbours whom respondents interact with				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	77.4	29.9	59.5	81.5	87.5
	XFKL	97.2	77.8	75.0	97.2	94.4
	ILC	85.7	85.7	42.9	31.3	85.7
	ZHXC	25.0	66.7	37.5	33.3	0.0

Grey boxes= amount of intra-estate interaction

Av: 70.9%

Table 9- 8 Changes in residents with rare inter-estate interaction since 1997 (percentage points)

		Addresses of neighbours whom respondents interact with				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	+8.2	+5.5	+20.3	+14.8	+13.2
	XFKL	+26.1	+25.2	+41.7	+33.3	+26.0
	ILC	+5.7	+7.9	-7.1	-18.7	+7.9
	ZHXC	+2.8	*	+17.5	*	0.0

Grey boxes= amount of intra-block interaction

Green boxes= increases

Red boxes= decreases

*= cannot calculate

Av change: +11.4 percentage points

9.2.3 Summary: changes in inter-estate social interaction since 1997

In both periods, all of the respondents conducted more frequent interactions with residents from their own estate (i.e. intra-estate interactions) than with residents from adjacent estates. Interestingly, the proportion of residents with

frequent inter-estate social interactions in 1997 was not as significant as the interviews had suggested (see chapter 5). Data here show that in 1997, the proportion of respondents, who had frequent intra-estate social interaction, averaged 47 per cent (ranged between 36 to 63 per cent). While the proportion of respondents who had frequent inter-estate interaction averaged 17 per cent only (ranged between 0 and 44 per cent). This suggests that the strong social interaction reported in pre-reform *lilong* neighbourhoods (Whyte and Parish, 1984) and in the old Shimen neighbourhood were operating more at the intra-estate level rather than at the inter-estate level.

Bearing in mind the possibility of data distortion due to hindsight reasoning, residents' responses were largely consistent throughout the 4 estates for both periods. At present, the overall majority of respondents in Shimen neighbourhood rarely interact with neighbours from surrounding estates. The analyses show that housing redevelopment since 1997 had reduced the inter-estate social interaction in the neighbourhood.

9.2.4 Usage of shops in the neighbourhood in 2007

The usage of local shops also relates to locally-based social interaction. Many recent urban policies (mostly in the West) that support the principle of social mix are based on the assumption that social capital can be fostered through casual social interactions in neighbourhoods (see DETR, 1999; Lees, 2003). Following this logic, if residents from the neighbourhood shopped at the same local shops, then chances of casual social encounters would be higher. This could then lead to the fostering of social interactions. Conversely, if residents do not frequent the same local shops, then the chances of casual encounters and social interaction would be lower.

Table 9-9 shows the proportion of respondents from each of the four estates, who shop frequently in their adjacent estates in 2007. Apart from shops in XFKL, where a moderate proportion of residents (i.e. above 20%) from all the estates used frequently, and shops in XYZ where a quarter of respondents from ZHXC

used frequently, very low proportion of respondents used shops in their adjacent estates frequently. The average proportion of respondents here who shop frequently in adjacent estates was 10 per cent. In stark contrast, the average proportion of respondents who rarely shop at adjacent estates was 73 per cent (Table 9-10). The vast majority of respondents in Shimen neighbourhood rarely used shops in their adjacent estates.

Table 9- 9 Residents who shopped frequently at neighbourhood shops in 2007 (% of respondents)

		Addresses of shops which respondents use				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	5.7	36.8	20.0	3.1	17.2
	XFKL	1.8	9.1	37.8	5.2	3.6
	ILC	2.6	0.0	28.6	27.3	0.0
	ZHXC	25.0	0.0	38.5	0.0	50.0

Grey boxes= amount of intra-estate shop usage
Av: 10.0%

Table 9- 10 Residents who shopped rarely at neighbourhood shops in 2007 (% of respondents)

		Addresses of shops which respondents use				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	77.1	39.1	36.7	71.9	72.4
	XFKL	90.9	80.0	43.2	82.8	91.1
	ILC	84.6	89.3	48.6	47.3	78.8
	ZHXC	50.0	100.0	7.7	100.0	50.0

Grey boxes= amount of intra-estate shop usage
Av: 72.6%

9.2.5 Changes in the usage of shops in the neighbourhood since 1997

This section investigates the changes in the proportion of shoppers in the neighbourhood since 1997. Like the previous section on social interaction, only responses from residents who have knowledge of shop usage before and after the redevelopment of the neighbourhood have been used in the analyses (i.e. longstanding residents and returnees). The acknowledgement of possible distortion of data due to hindsight reasoning also applies to this section.

In 1997, the average proportion of respondents who frequently shopped in

adjacent estates was 45 per cent (Table 9-11). In many instances, the proportion of respondents who shopped frequently was quite high. The majority of respondents from all the estates used the shops in old FKL frequently. In addition, the majority of respondents in ZHXC shopped frequently in all the surrounding estates in question. By 2007, the average proportion of respondents who shop frequently in adjacent estates had fallen to only 12 per cent (Table 9-12). Table 9-13 shows the changes in percentage points of frequent inter-estate shoppers. Apart from the minute increases in percentages between residents in ILC and shops in XFKL, all the other instances of frequent inter-estate shopping had suffered losses. The overall drop in the proportion of frequent inter-estate shoppers in Shimen neighbourhood between 1997 and 2007 is 33 percentage points (coloured red).

Table 9- 11 Residents who shopped frequently at neighbourhood shops in 1997 (% of respondents)

		Addresses of shops which respondents use				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	13.5	52.4	61.8	48.7	21.1
	XFKL	20.5	33.3	64.0	41.9	17.1
	ILC	11.1	11.1	56.3	62.5	38.5
	ZHXC	75.0	66.7	100.0	100.0	100.0

Grey boxes= amount of intra-estate shop usage
Av: 44.8%

Table 9- 12 Residents who shopped frequently at neighbourhood shops in 2007 (% of respondents)

		Addresses of shops which respondents use				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	5.7	36.8	20.0	3.1	17.2
	XFKL	0.0	5.7	28.6	0.0	0.0
	ILC	12.5	0.0	69.2	43.8	0.0
	ZHXC	25.0	0.0	38.5	0.0	50.0

Grey boxes= amount of intra-estate shop usage
Av: 12.3%

Table 9- 13 Changes in residents who shopped frequently at neighbourhood shops since 1997 (percentage points)

		Addresses of shops which respondents use				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	-7.8	-15.6	-41.8	-45.6	-3.9
	XFKL	-18.7	-24.2	-26.2	-36.7	-13.5
	ILC	0.0	-11.1	+3.7	-27.2	-38.5
	ZHXC	-50.0	-66.7	-61.5	-100.0	-50.0

Grey boxes= amount of intra-estate shop usage

Green boxes= increases

Red boxes= decreases

Av change: -32.5 percentage points

Conversely, the proportion of respondents who rarely shopped in surrounding estates had increased since 1997. In 1997, the average proportion of these respondents was 40 per cent (Table 9-14). By 2007, the proportion had risen to 48 per cent (Table 9-15). Apart from 1 incident where the proportion of residents from ILC who rarely shopped at XFKL had decreased, the proportion of respondents who rarely shopped at adjacent estates had increased in all other instances (Table 9-16). The average increase was 8 percentage points over the period.

Table 9- 14 Residents who shopped rarely at neighbourhood shops in 1997 (% of respondents)

		Addresses of shops which respondents use				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	59.5	23.8	21.8	43.6	63.2
	XFKL	54.5	42.9	16.0	41.9	58.5
	ILC	66.7	66.7	25.0	25.0	38.5
	ZHXC	25.0	33.3	0.0	0.0	0.0

Grey boxes= amount of intra-estate shop usage

Av: 40.1%

Table 9- 15 Residents who shopped rarely at neighbourhood shops in 2007 (% of respondents)

		Addresses of shops which respondents use				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	77.1	39.1	36.7	71.9	72.4
	XFKL	91.1	77.1	57.1	91.9	94.4
	ILC	62.5	71.4	15.4	31.3	62.5
	ZHXC	50.0	100.0	7.7	100.0	50.0

Grey boxes= amount of intra-estate shop usage

Av: 47.6%

Table 9- 16 Changes in residents who shopped rarely at neighbourhood shops since 1997 (percentage points)

		Addresses of shops which respondents use				
		XYC	HFXQ	XFKL	ILC	CC
Where respondents live	HFXQ	+17.6	+15.3	+4.9	+28.3	+9.2
	XFKL	+36.4	+37.1	+27.2	+40.7	+32.6
	ILC	0.0	+8.3	-5.0	+10.3	+28.2
	ZHXC	+25.0	+66.3	+7.7	+100.0	+50.0

Grey boxes= amount of intra-estate shop usage

Green boxes= increases

Red boxes= decreases

Av change: + 7.5 percentage points

9.2.6 Summary: changes in inter-estate shopping since 1997

Overall, the data indicates a reduction in the amount of frequent shopping in the neighbourhood shops. In 1997, the majority of shops in all the estates were used frequently by moderate to significant proportions of local residents. By 2007, only the shops in respondents' own estate have sustained some frequent shoppers, although these had also lost large proportions of users.

Interviews with longstanding residents have indicated that many of the original shops in the neighbourhood had been replaced since 1997, which had changed the original services into upmarket shops and restaurants. These new shops are far less affordable (Personal interview with Mrs Huang and Mr Bei in HFXQ on 10 Jan 2008). This mirrored one of the negative consequences of gentrification noted in Western cities, which was the alteration of local service provision towards the needs of the wealthier residents as areas become gentrified.

Moreover, the new provisions often provided services different to the needs of the original residents (Atkinson, 2000, 2002). It appears that elements of proximity, possible reluctance by residents to venture far from home (as many were old), and the lost of suitable shops in adjacent estates, have kept the behaviour of shopping in residents' own estate.

Longstanding residents, who are often poorer and older, have also observed the reduction in the variety of shops in the neighbourhood, which greatly diminishes the convenience of their daily lives. This neighbourhood used to contain a range of shops catering for the everyday lives of residents, including cheap eateries, corner stores, hardware stores, fruit stores, and even a funeral parlour. By 2007, many cheap eateries and stores had been closed or relocated. Two near-by traditional markets had also been closed down. Residents now have to travel further away to obtain the amenities which used to be available in their vicinity (personal interview with Ms Huang and Mr Bei on 10 Jan 2008).

The drop in local shop usage implies a loss of opportunities for casual interaction. In 2007, sights of residents chatting with local shop keepers, or residents gathered in front of local shops mingling e.g. playing *mahjong* on the pavement, were often seen in traditional neighbourhoods in Shanghai, including in HFXQ and ZHXC in Shimen neighbourhood. Judging by this, the mode of utilising public spaces around local shops not only used to be, but still is an important component of neighbourhood-based social interaction. However, with the reduction in affordable local shops in the neighbourhood, and the reduction in local shop usage by local residents, chances of casual everyday social encounters for these residents have been diminished.

The drawback of the current data lies in its omission to obtain information on the shop usage by the new high-income residents in the neighbourhood. If their usage of surrounding shops were higher than the lower-income groups, it would add weight to the argument that local services have shifted their orientation towards serving the wealthier inhabitants. However, the reductions in local shop usage by the lower-income groups and the anecdotal evidence from

longstanding residents suggest that this scenario has occurred.

9.3 Diverging lifestyles and lifeworlds of residents

This section investigates the lifestyles and lifeworlds of the different socio-economic classes in the neighbourhood. It explores residents' residential stability by examining their mobility/modes of transport and habits of travelling. According to social interaction research, a high mobility in residents has often acted as a barrier to the formation of social ties (Davies and Herbert, 1993, Chap. 4). Differences in mobility (in relation to socio-economic attributes) contribute to different locations where people conduct their living, working, shopping and entertaining, which may not be in their local neighbourhoods. In which case, discrepancy in mobility may reduce the chances of casual encounters in residents' neighbourhood (Jupp, 1999; Atkinson and Kintrea, 2000). Conversely, the permanence of residence (i.e. the length of stay) has been identified by some scholars, using longitudinal data, as the most crucial factor in the construction of local social ties (Kasarda and Janowitz, 1974; Sampson, 1988). This implies that residents who spend most of their time in their neighbourhood, with each other, develop social ties and bonds over time. Therefore, transient residents such as frequent travellers or short-term tenants could be detrimental to the formation of local social ties.

In addition, this section also explores the residents' habits of grocery shopping and the education strategies adopted for their children. As mentioned in the previous section, the usage of common shops is one avenue to foster casual social interaction among neighbours. Likewise, when children of different socio-economic backgrounds attend the same schools, it not only brings these children together, but it also creates opportunities for their parents to mingle and exchange ideas through their children as a medium (Suttles, 1972; Atkinson, 2005). The hypothesis is that if different socio-economic classes operated in different spheres of shopping and education, (along with discrepant residential stability and mobility), then they could be said to be operating in distinct and parallel lifeworlds. In such cases, the 'social tectonic' description of Robson and

Butler (2001) found in gentrified areas of London could be a pertinent metaphor for Shimen neighbourhood. The description refers to different socio-economic classes, despite living in the same neighbourhood, act as different tectonic plates, sitting beside each other but lacking interaction. This pattern of coexistence will not be conducive to social mixing.

9.3.1 Mobility

Car ownership

Table 9-17 shows residents' car ownership in the neighbourhood. High proportions of residents in upmarket estates owned private cars, including the majority of respondents in CC (72%) and a close second majority of respondents in ILC (47%). In comparison, car ownership in the middle-income and traditional estates was very low, ranging from only 11 per cent in XFKL to zero in ZHXC. There were also very low proportions of prospective car buyers in the neighbourhood, suggesting that the discrepancy in car ownership could remain for some time into the near future. Access to private cars enhances the mobility of residents, and expands the freedom and ease to expand the users' spatial lifeworlds.

Table 9- 17 Car ownership

	Luxury estates		Middle-income estate	Poor estates	
(%)	CC	ILC	XFKL	HFXQ	ZHXC
Do you own a car?					
Yes	72.1	46.5	11.1	3.7	0.0
No	27.9	52.1	82.7	94.1	100.0
No, but planning to buy	0.0	1.4	6.2	2.2	0.0

Predominant modes of transport

Table 9-18 shows the predominant modes of transport used by residents. Each respondent was asked to select two of their most frequently used modes of transportation. Despite car ownership and income disparities among the estates, public transport was consistently one of the top two modes of transportation for all the estates. In upmarket estates, private/company car was the most popular

mode of transport (74 % in CC and 47% in ILC). This was followed by public transport (58% in CC and 41% in ILC). In ILC, the joint second most popular mode of transport was the taxi. These habits corresponded well with their residents' socio-economic indicators, which included higher income, higher proportion of managers in private companies, and higher proportion of car ownership.¹⁹⁰

Table 9- 18 Predominant modes of transport

Estate	Luxury estates		Middle-income estate	Poor estates	
	CC	ILC	XFKL	HFXQ	ZHXC
Which are your 2 common modes of transport? (%)					
Walking	9.3	21.9	27.0	30.2	50.0
Public transport (buses/subway)	58.1	41.1	60.7	59.2	80.0
Bicycle	0.0	4.1	34.8	34.6	15.0
Private/Company car	74.4	46.6	9.0	0.6	0.0
Taxi	39.5	41.1	9.0	3.9	5.0
Motorbike/motorised bicycle	0.0	6.8	6.7	3.4	5.0
Others	11.6	1.4	4.5	1.1	0.0

In the middle-income estate XFKL and the traditional estate HFXQ, public transport was the most popular mode of transport (61% and 59% respectively). This was followed by the bicycle (35% each). These habits also correspond well with these residents' socio-economic indicators, which included medium- to low-income households, which diminished their likelihoods of car ownership; and a high proportion of administrative or basic level workers in predominantly SOEs, which were less likely to be given access to company cars. For these residents, public transport and the bicycle represented the most economical option for travelling. For these residents who were employed (34% in XFKL and 21% in HFXQ), these two modes allowed them to travel to work at lower costs.

For the remaining traditional estate ZHXC, public transport was the most popular mode of transport (80%). This was followed by walking (50%). Since ZHXC has the oldest residents in the neighbourhood (69% were 61 years or above), who were either retired or unemployed, they have no obligatory daily needs to travel far (i.e. to work) except for the occasional trips to visit

¹⁹⁰ In China, it is not uncommon for managers in private companies to receive or have access to company cars

family/friends or hospitals. Any short trips to local shops for example could be adequately covered by walking. A similar trend has been observed in XFKL (Table 9-19), where the returnees (more likely to be older and retired/unemployed) used walking more than the newcomers, who were younger and has a higher proportion in active employment.

Table 9- 19 Preferred modes of transport by returnees and newcomers in XFKL estate

Resident category	Returnees	Newcomers
Which are your common modes of transport? (Yes) (%)		
Walking	41.5	14.6
Public transport(buses/subway)	58.5	62.5
Bicycle	48.8	22.9
Private/Company car	0.0	14.6
Taxi	0.0	16.7
Motorbike/motorised bicycle	4.9	8.3
Others	4.9	4.2

These data show significant discrepancy in residents' mobility in the neighbourhood. Residents in upmarket estates have a greater freedom and potential range of travel due to their superior access to cars and taxis. For the residents in the remaining estates, travelling was more restricted by their dependency on public transport (e.g. time tables and routes) and also by the mobility restrictions imposed by cycling and walking (e.g. distance). These differences may interact with vocational attributes to influence the temporal and location choices of daily habits (e.g. choices and locations for work and leisure).

9.3.2 Residential stability

Table 9-20 shows the degrees of residential stability of residents. The data indicate that a much higher proportion of residents in upmarket estates did not live in their dwellings permanently. Only 65 per cent of respondents in CC, and 82 per cent of respondents in ILC used their dwellings permanently throughout the year. In comparison, the vast majority of residents in other estates used their dwellings as permanent addresses.

Table 9- 20 Permanency of residence in the estate

	Luxury estates		Middle-income estate	Poor estates	
Estate	CC	ILC	XFKL	HFXQ	ZHXC
Do you live here permanently? (yes) (%)	65.1	82.2	92.0	100.0	100.0
If not, how many months in a year do you live here? (mean)	5.0	8.0	7.0	x	x

X= do not apply

The transient residents in CC spent an average of 5 months per year in their dwellings here, and those in ILC spent eight months per year. Judging from the high proportion of professional and managerial residents in these estates, business trips could have been one factor for their transient lifestyle. Another would be periodical visits back to their 'home' country due to the high proportion of foreign-origin residents. In addition, there appeared to be many speculative buyers in upmarket estates who treated the apartments as investments and left them unoccupied, or simply used them sporadically throughout the year (Personal interview with residents Mr Gu and Mr Huang in ZHXC on 11 Jan 2008). The highly transient mode of residence might have deterred some residents and/or their neighbours from engaging with each other. Table 9-21 shows the reasons that returnees in XFKL and ILC thought were responsible for the decrease in social interaction in their estates after redevelopment. One of the most prominent reasons in ILC was the transience of residential patterns of new residents.

Table 9- 21 If interaction has decreased after the renewal, you think the reason is?

Estate	XFKL returnees	ILC returnees
No more shared facilities, so harder to meet neighbours	28.0	46.2
Socio-economic gaps among neighbours have increased, so more difficult to make friends	5.1	23.1
New residents move in and out of the estate too quickly, so rather not make an effort to know them	3.4	53.8
Other reasons	3.4	0.0

9.3.3 Habits of taking vacations

Table 9-22 shows the residents' habits of taking vacations. Respondents were asked if they have taken trips out of Shanghai during the recent major public

holidays.¹⁹¹ The data show that residents in new estates (higher incomes), were more prone to take vacations away from Shanghai. A vast majority of respondents in ILC (64%) and moderate proportions in CC (28%) and XFKL (27%) have taken these vacations, as opposed to only 13 and 17 per cent from HFXQ and ZHXC respectively. In comparison, residents in traditional estates mainly stayed at home during holidays, which corresponded with their demographic and socio-economic attributes. The majority of these residents were older (mean age of 56 in HFXQ and 66 in ZHXC), and had lower incomes (majority earning under 2,999 yuan/month). These factors could have contributed to a weaker enthusiasm or financial capacity to take vacations. A similar observation can be made on XFKL (Table 9-23), where fewer returnees (who were older and poorer), took vacations out of Shanghai during recent holidays compared to the younger and wealthier newcomers. Overall, a clear discrepancy in residential stability has been identified between residents in new commodity and old traditional estates. Residents in upmarket estates have a much more transient mode of living. This may have limited the chances of social encounters and also diminished the inclinations of residents to foster social relationships.

Table 9- 22 During the recent National public holidays, have you or our family taken a trip away from Shanghai?

	Luxury estates		Middle-income estate	Poor estates	
(%)	CC	ILC	XFKL	HFXQ	ZHXC
Yes	27.9	63.8	26.8	13.0	16.7
No	72.1	36.2	73.2	87.0	83.3

Table 9- 23 Holiday habits of returnees Vs newcomers in XFKL

Resident category	Returnees	Newcomers
During the recent National public holidays, have you or our family taken a trip away from Shanghai? (%)		
Yes	19.4	32.6
No	80.6	67.4

9.3.4 Habits of grocery shopping

¹⁹¹ These included the *Wuyi* national holiday and the Chinese New Year vacations, when traditionally all employees are entitled to a week of break.

Table 9-24 shows the types of markets used by residents for their grocery shopping and their frequency of shopping. Residents have contrasting shopping habits. Whilst residents in upmarket estates preferred to use supermarkets, residents in other estates predominantly used traditional markets. Over half of the respondents in upmarket estates (52% in CC and 56% in ILC) used supermarkets. In contrast, the vast majority of other estates all used traditional markets (79% in XFKL, 96% in HFXQ and 81% in ZHXC). In terms of the frequency of shopping, a greater proportion of respondents in upmarket estates shopped less frequently. The majority of them conduct grocery shopping a few times per week, and a substantial proportion of them (44% in CC and 37% in ILC) reported to shop only once a week. In contrast, the vast majority of households in XFKL (66%) and HFXQ (80%) and a substantial proportion of households in ZHXC (47%) reported to shop daily.

Table 9- 24 Main market for grocery shopping & the frequency of shopping

	Luxury estates		Middle-income estate	Poor estates	
Estate	CC	ILC	XFKL	HFXQ	ZHXC
The main market you use? (%)					
Traditional market	4.8	40.8	79.3	95.9	81.3
Small supermarkets near by	42.9	2.8	2.4	1.4	18.8
Large supermarket	52.4	56.3	18.3	2.7	0.0
How often do you shop? (%)					
Everyday	2.4	20.0	66.3	80.1	47.4
A few times a week	53.7	42.9	5.8	17.9	52.6
Once a week	43.9	37.1	27.9	1.9	0.0

The shopping habits of residents in upmarket estates corresponded well with their socio-economic attributes, which included higher-income (i.e. supermarkets are more expensive than local markets), busier lifestyles (professionals may lack the time for shopping so they shop less frequently), and higher rates of access to private/company car (i.e. easier to transport larger loads of shopping which reduces the number of trips). A similar trend has been observed in XFKL (Table 9-25), where a higher proportion of newcomers (who are employed and wealthier) shopped at supermarkets at a lower frequency compared to a higher proportion of returnees, who used traditional markets and shopped at a higher frequency.

Table 9- 25 Shopping habits of returnees and newcomers in XFKL estate

Resident category	Returnees	Newcomers
The main market you use? (%)		
Traditional market	89.7	69.8
Small supermarkets near by	2.6	2.3
Large supermarket	7.7	27.9
How often do you shop? (%)		
Everyday	82.5	52.2
A few times a week	17.5	10.9
Once a week	0.0	37.0

Culture could be another explanation for their contrasting shopping behaviours. Since a higher proportion of residents in upmarket estates were overseas Chinese and foreigners, some of them could be more accustomed to shopping at supermarkets. Others might not be accustomed to the traditional Chinese markets due to different dietary preferences or hygiene reasons. Moreover language barriers for foreign-origin residents could have also prevented their use of the traditional markets where the majority of stall keepers would be conversing in Mandarin or Shanghainese.¹⁹²

In contrast, the medium-income and traditional estates in the neighbourhood contain higher proportions of local Chinese residents. These residents could be more accustomed to shopping at traditional markets. Furthermore traditional markets were also more affordable, which suited their lower incomes. Their preference for shopping at more frequent intervals was possibly related to the high proportion of old and retired residents. These residents have not only more free time, but they were also restricted by their limited modes of transportation and a lack of storage space at home (see chapter 6), which did not allow them to shop in large quantities at low frequencies.

The patterns here indicate two contrasting practices of grocery shopping between the high-income and the middle- and lower-income residents. As several longstanding residents had commented, grocery shopping at the local market used to be an important mechanism for local residents in the neighbourhood to interact and mingle in the past. The current divergence of

¹⁹² Shanghainese is the local dialect commonly spoken in Shanghai

shopping behaviours diminishes the chances of casual social interaction in the neighbourhood.

9.3.5 Education strategies for children

Table 9-26 shows the presence of school-age children and the types of schools that they attended. Households in CC and HFXQ have the highest percentage of school-age children, at 61 and 88 per cent respectively. The remaining estates have much lower percentages ranging from 15 per cent in ZHXC to 31 per cent in ILC. According to anecdotes from several longstanding residents, the amount of children in the neighbourhood had decreased significantly since 1997.

In 2007, the majority of children in the neighbourhood were below the university level. Table 9-27 arranged the children between kindergarten and high school levels (including international colleges) into local and non-local district schools. We can see the majority of households from upmarket estates sent their children to non-local schools. In CC, 63 per cent of respondents sent their children to non-local schools compared to only 8 per cent, who opted for local schools. In ILC, local and non-local schools have equal proportions of attendance (44% each). But due to the under-sampling of foreign residents there, the proportion of children attending non-local schools might have been significantly under-estimated. These practices contrasted sharply with the households in the remaining estates, where the majority of children attended local district schools (42% in XFKL, and 49% in HFXQ).

Table 9- 26 Do you have school-age children? Where do they attend school?

	Luxury estates		Middle-income estate	Poor estates	
Estate	CC	ILC	XFKL	HFXQ	ZHXC
Do you have a child in the schooling age? (%)					
Yes	60.5	30.8	21.3	87.8	15.0
(Parents only) Where does your child attend school? (%)					
Kindergarten/primary/secondary schools in this district	8.3	44.4	42.1	48.8	x
Kindergarten/primary/secondary schools in other districts	29.2	22.2	15.8	19.5	x
International college	33.3	22.2	5.3	2.4	x
Chinese university	12.5	0.0	26.3	14.6	x
Studying abroad	8.3	11.1	10.5	2.4	x
Other	8.3	0.0	0.0	12.2	x

X= not enough responses

Table 9- 27 Local Vs. non-local schools

	Luxury estates		Middle-income estate	Poor estates	
Estate	CC	ILC	XFKL	HFXQ	ZHXC
Schools up to & including secondary level °					
At local district schools	8.3	44.4	42.1	48.8	z
At non-local district schools	62.5	44.4	21.1	21.9	z

Z= not applicable

° = included kindergarten, primary, secondary schools and international colleges (which many included training from primary to secondary education). University, studying abroad and others were excluded because the study had no way of knowing whether these children attended local of external schools previously

These results show that wealthier households in upmarket estates have adopted a different educational strategy to their neighbours in the middle-income and poorer traditional estates. Significant proportions of the former sent their children to state-run schools in other districts (probably schools of better reputation) and international colleges. This difference implied that children from adjacent estates in Shimen neighbourhood do not have the chance to attend the same schools, hence have little opportunities to become familiar with one another. Moreover, these children and their parents are spending time in different locations to their neighbours, which strongly reduce the chances of casual social interaction.

This finding highlighted an additional divide between the wealthy and the poor residents in Shimen neighbourhood in the sphere of education. Local schools have been identified in Western literature as opportunities for children to be

exposed to peers of different socio-economic classes, and for their parents to interact with other parents via their children as a medium (see Atkinson, 2005). Such opportunities have been greatly diminished in this neighbourhood. This situation has been identified by several residents, who commented that children in the neighbourhood no longer have the chance to grow up together like they used to in the past. At present, it has become more difficult for the children and their families to forge strong social bonds because the children attend different schools. Children and parents do not know each other as well as in the past.¹⁹³

9.4 Mental and physical segregation of estates

This section examines the mental and physical separation of estates in the neighbourhood. Residents' perceptions on security and gating can give clues to their inclination for meeting strangers, and engage in casual social encounters with neighbours in the neighbourhood. The physical separation of estates due to the practice of 'gating' divides the neighbourhood into different privatised domains, which restricts the access of neighbours and diminishes chances of casual social encounters in the neighbourhood.

9.4.1 Sense of security and desires for segregation

Much like the defensive architecture and gated communities in the West (Blakeley and Snyder, 1997), several recent studies have documented the proliferation of 'gated communities' in post-reform China (Wu and Webber, 2004; Huang, 2005; Wu, 2006). These are luxury commodity housing estates located both in cities' suburbs (Wu, 2005, 2006; Giroir, 2006) and centres (Huang, 2005). In China, developers have increasingly adopted strategies to tap into the material desires of the new middle-classes with the features of gating, which not only internalised high-quality services for the exclusive use of its residents, but also fostered a sense of prestige and exclusivity (Wu, 2005, 2006; chapter 7).¹⁹⁴

¹⁹³ Personal interview with Mr Zhu on 10 Jan 2008

¹⁹⁴ According to Wu (2005), "Property developers use 'packaged' community services to boost the marketing of their estates. Luxury housing estates are often located in suburban areas where municipal facilities are inadequate. The marketing rhetoric not only emphasises a high environmental quality but also stresses comprehensive and high-quality services. The property management company normally takes

Western architectural motifs and design features have also been used to persuade the local upwardly-mobile classes and international settlers of high-end living and culture (Wu, 2006; Giroir, 2006). Lastly, Wu (2005) postulated the idea that the nouveau riches in China are now retreating into 'purified' residences for the fear of collectivism under the process of increasingly inequality and resource marketisation (p. 252). However, there remained little exploration into the attitudes and perceptions of different social classes on the issue of segregation and mixing in China's increasingly unequal but socially mixed cityscapes. This section begins the exploration by examining the residents' perception of safety and security living in their estates. It then investigates their attitudes on gating, perceptions of harmony and their willingness to engage in inter-estate activities.

Sense of security

Table 9-28 indicates the respondents' perception of safety in their estates and their perceived causes of threat. The vast majority of respondents from the neighbourhood, except for HFXQ, perceived their estate as 'safe' or 'very safe' (100% in CC, 99% in ILC, 65% in XFKL and ZHXC). Only HFXQ have a significant proportion of respondents feeling 'unsafe' or 'very unsafe' (31%). Their two most prominent causes of threat included the number of non-resident tress-passers in their estate (62%), and the mixture of residents in the estate (60%). The next significant reason was the lack of management by the HMC, which relate to the lack of control of strangers venturing into their estates.

over such services as rubbish collection, cleaning, greening, security, nurseries, recreation and amenities, even primary, middle and high schools which are traditionally built by the local government." (p. 244).

Table 9- 28 Perception of safety and reasons for feeling unsafe in one's estate

	Luxury estates		Middle-income estate	Poor estates	
Estate	CC	ILC	XFKL	HFXQ	ZHXC
Perception of safety in the estate (%)					
Very safe & safe	100.0	98.6	64.7	20.6	65.0
Very safe	44.2	23.6	3.7	4.2	5.0
Safe	55.8	75.0	61.0	16.4	60.0
Average	0.0	1.4	32.9	48.5	30.0
Slightly unsafe	0.0	0.0	1.2	21.8	5.0
Very unsafe	0.0	0.0	1.2	9.1	0.0
Slightly unsafe & very unsafe	0.0	0.0	2.4	30.9	5.0
Reasons for feeling unsafe? (yes) (%)					
Lack of policing	x	x	33.3	24.0	-
Too many non-residents coming in and out of estate	x	x	37.5	62.0	-
Lack of management by property management company	x	x	22.2	44.0	-
Mixture of residents here	x	x	33.3	60.0	-
Lack of people presence in public areas	x	x	22.2	24.0	-
Other reasons	x	x	11.1	10.0	-

x= Do not apply

--= Not enough responses

Interviews with residents in HFXQ also backed up these results. A recurring issue revolved around the presence of residents from '*waidi*'.¹⁹⁵ Complaints against these people included their lack of efforts to interact with the rest of the local households, the increased incidents of theft since their arrival, and the increased appearance of 'strangers' due to their occupancy in the estate (e.g. friends or families of *waidi* people visiting or temporarily staying in their dwellings). This wariness of non-residents passing in and out of one's estate has also been echoed by residents in XFKL, in which 38 per cent of respondents identified it as a cause of concern. Table 9-29 indicates the extent to which residents are worried about non-residents entering their estate. The vast majority of respondents, except those from HFXQ, were 'highly concerned' or 'concerned' about this issue (98% of respondents in CC, 77% in ILC, 81% in XFKL and 67% in ZHXC). Although the majority in HFXQ (45%) was not concerned about this issue, a significant proportion of respondents (38%) did.¹⁹⁶

¹⁹⁵ *Waidi* people refer to non-local residents who come from other provinces in China

¹⁹⁶ Interestingly, if we refer back to the previous section on perceived safety of estates, only 21 per cent of respondents in HFXQ felt 'safe' or 'very safe' in their estate, which was the lowest among all of the estates

Another interesting finding is that very low proportions of respondents actually reported to welcome non-residents to enter their estates. This attitude contrasted sharply to the way in which these estates were used in the past. At present, a strong sentiment for greater ‘border control’ is shared by most of the residents in the neighbourhood irrespective of the type of estate.

Table 9- 29 Are you concerned about non-residents entering your estate?

	Luxury estates		Middle-income estate	Poor estates	
(%)	CC	ILC	XFKL	HFXQ	ZHXC
Highly concerned & concerned	97.6	77.2	80.9	38.0	66.7
Highly concerned	11.6	14.3	34.8	12.7	16.7
Concerned	86.0	62.9	46.1	25.3	50.0
I don't care	2.3	17.1	14.6	44.7	33.3
Not concerned	0.0	4.3	3.4	14.0	0.0
I welcome them	0.0	1.4	1.1	3.3	0.0

Desire for segregation

Table 9-30 indicates the respondents' views on applying ‘residents-only’ access to their estates i.e. controlled gating. The majority of respondents in all the estates supported the idea, which concurred with the previous finding. However, like the previous result, HFXQ was the only estate with a sizeable proportion of respondents (28%) who did not care about this issue. A possible explanation for this is that residents here are used to living in an estate where traditionally the entry gates are not strictly controlled and that people could generally pass through it freely.¹⁹⁷ Borrowing words from Wu (2005) on his description of China's socialist work-unit compounds, those “communities are gated but not fortified” (p. 242).

surveyed. The main reason cited for this feeling was that ‘too many non-residents enter and exit their estate’, yet the majority of its respondents expressed their nonchalance here. The author found this to be a strange contradiction.

¹⁹⁷ Traditional residential estates have a guard present at the gates. But the guards generally did not interfere with people coming in and out of the grounds. The gates were usually left open. If they were closed it was usually to stop cars not belonging to the compound from entering. At night, the gates would be closed, but a small door in the gate would be left open for anyone to pass through. Similar situation is found for work-unit compounds. As Wu explains, “Despite the gate and walls surrounding the staff living quarters, the security of work-unit compounds is not stringent. Because of the high social mix, it is difficult to implement identity checks. In most compounds, ordinary urban dwellers are not stopped except for rural migrants who can be judged from their appearance. In a sense, these communities are gated but not fortified. The gate is not closed during the daytime, and the guard serves as an information provider for visitors. The guard also undertakes some minor maintenance and services such as milk and newspaper delivery” (Wu, 2005: 242).

Table 9- 30 Do you agree with 'residents-only' access into your estate?

	Luxury estates		Middle-income estate	Poor estates	
(%)	CC	ILC	XFKL	HFXQ	ZHXC
Highly agree & agree	100.0	95.7	93.0	61.6	89.5
Highly agree	20.9	38.0	45.3	29.5	47.4
Agree	79.1	57.7	47.7	32.1	42.1
I don't care	0.0	2.8	7.0	28.2	5.3
Disagree	0.0	1.4	0.0	9.6	5.3
Highly disagree	0.0	0.0	0.0	0.6	0.0

Interviews with longstanding residents in traditional estates in Shimen neighbourhood frequently revealed their fond recollections of the past when residents would walk through adjacent estates in the neighbourhood to take shortcuts through the city. They seemed to view this freedom positively. Back then, the neighbourhood was remembered as a 'lively' and 'buzzing area filled with people and children'. The children would run from door-to-door in their gangs of friends, sometimes stopping randomly at different houses to greet or chat with neighbours who have seen them growing up. Neighbours back then generally all knew each other, and would look out for strangers entering their estates. Once a stranger enters an estate, the entire estate would soon find out. Similarly, if a stranger visited a dwelling when its owner was out, the neighbour(s) would naturally approach the visitor and inquire about the purpose of the visit. These testimonies backed up the mutual surveillance provided by neighbours in traditional neighbourhoods (Whyte and Parish, 1984). The complex array of small alleyways in these estates was not only an extension of residents' own living spaces where they hung out and interacted, but also an extension of the city's public domain, linking one area to another.

The current data suggest that the sentiment towards the freedom of cutting across housing estates have been lost. Respondents in Shimen neighbourhood, irrespective of estate type and socio-economic classes, all preferred to have 'privatised' domains for themselves, where non-residents are excluded. In effect, public areas of each residential estate would become 'public' only for the estate's residents. As many upmarket estates in Shanghai take up the form of gated communities (Figure 9-2), the urban space in Shanghai has been progressively subdivided into pockets of exclusive areas which apparently coincided with the residents' preferences.

Figure 9- 2 Guarded gates of ILC estate



Source: author

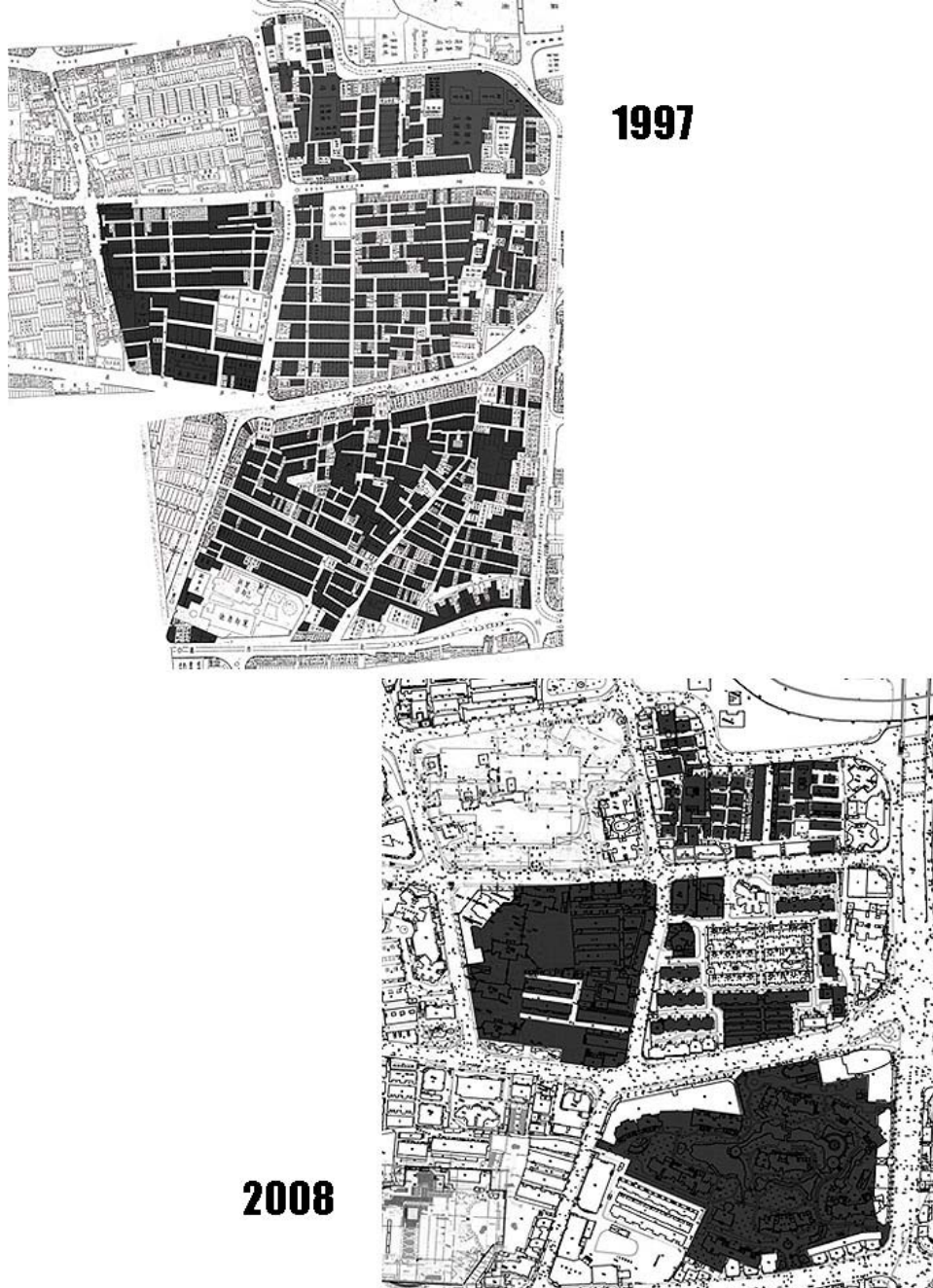
9.4.2 Physical segregation in the neighbourhood

The practice of gating has resonated with the residents' heightened desire for security, especially for residents in upmarket estates. The consequential practice of gating in commodity estates has had the effect of physically segregating the urban space. The only detailed map of Shimen neighbourhood, which shows the divisions of estates prior to 1997, that could be accessed by the author, was one dated from 1947 (Figure 9-3, top image) stored in the Shanghai Municipal Archives. The map showed detailed markings of dwellings' subdivisions and their uses. By comparing with the aerial photograph taken in 1999 (Figure 9-4), we can see that there has been no significant morphological changes between the two periods. Some of the functions of dwellings might have changed since 1947, but interviews with longstanding residents reported that the neighbourhood still contained numerous shops in the estates in 1997, and that all of the estates were accessible to the public (Personal interview with Mrs Huang and Mr Bei in HFXQ on 10 Jan 2008).

By colouring the areas of private uses in the neighbourhood in black (e.g. private dwellings, offices and factories), and public uses in white (e.g. temples, markets, shops, open areas), much like the Nolli plan of Rome, the balance of publically and privately accessible spaces in the neighbourhood can be revealed.¹⁹⁸ Figure 9-3 below shows the differences in the amount of publicly and privately accessible realms in the neighbourhood between 1947 (similar to 1997 conditions) and 2008. As far as the texts could be read, all the areas whose usage allowed public access have been coloured white (shops, markets, public areas), while private usage areas such as dwellings, factories and government offices have been coloured black. In 1947, the neighbourhood was woven together by a fine mesh of narrow publicly accessible alleyways typical of *lilong* estates (Zhao, 2004). It offered people access to shops located within estates, as well as allowing residents to cut through the city (top image). In comparison, the neighbourhood in 2008 has become dominated by large areas of privatised spaces within the boundary walls of upmarket estates (bottom image). The amount of publicly accessible areas in the neighbourhood due to housing redevelopment and the practice of gating of upmarket estates have been greatly diminished. In the gated upmarket estates, visitors must obtain clearance from residents before the guards at the entry gates would let them enter. This process of spatial segregation in the neighbourhood has been strengthened by the arrangements of shops around the periphery of the new estates. In 2008, the majority of shops in new developments have been located along the estates' periphery to keep out non-residents, and keep the internal spaces exclusive to their own residents. This physical separation of estates both prevents and deters neighbouring residents from venturing in, which in turn, diminishes chances of casual social encounters in the neighbourhood compared to the past.

¹⁹⁸ The 1748 Nolli map of Rome was produced by Giambattista Nolli (1701-1756), who was an architect and surveyor who lived in Rome and devoted his life to documenting the architectural and urban foundations of the city. One of its key features was "the figure-ground representation of built space with blocks and building shaded in a dark poché, Nolli represents enclosed public spaces such as the colonnades in St. Peter's Square and the Pantheon as open civic spaces." (www.cynical-c.com, accessed on 11 April 2009)

Figure 9- 3 Public accessibility in the neighbourhood 1997 Vs. 2008



Sources: Top image- Editorial Board of Shanghai Street Directory (1947), bottom image- Jing'an District Planning Bureau. Both images have been recomposed by the author

Figure 9- 4 Shimen neighbourhood in 1999



Source: Shanghai Municipal Survey Bureau (2001)

9.4.3 Perception of harmony among surrounding estates

This section explores the residents' attitudes toward the socially-mixed neighbourhood as a whole. In particular, it explores their perception of harmony, and their willingness to engage in activities with neighbours from adjacent estates. Overall, residents in Shimen neighbourhood appear to perceive no disharmony in the neighbourhood despite the obvious socio-economic and physical contrasts (Table 9-31). However, respondents from upmarket estates displayed a slightly more positive appraisal on the status of harmony than respondents from the remaining estates. The vast majority of respondents from CC (93%) and ILC (82%) thought that the relationship with the surrounding

estates was 'harmonious' or 'very harmonious'. In contrast, the majority of respondents in the remaining estates thought that the relationship with surrounding estates was only 'average'. This was reported by 51 per cent of respondents in XFKL, 64 per cent in HFXQ and 63 per cent in ZHXC.

Table 9- 31 Perception of harmony among the inhabitants of surrounding estates

	Luxury estates		Middle-income estate	Poor estates	
Estate	CC	ILC	XFKL	HFXQ	ZHXC
(%)					
v. harmonious + harmonious	93.0	81.7	48.2	35.2	26.3
Very harmonious	11.6	15.5	10.6	9.6	0.0
Harmonious	81.4	66.2	37.6	25.6	26.3
Average	7.0	18.3	50.6	63.5	63.2
Disharmonious	0.0	0.0	0.0	1.3	10.5
Very disharmonious	0.0	0.0	1.2	0.0	0.0

There are two possible reasons that contribute to the differences in perception. First, the residents in upmarket estates could be so enclosed in their exclusive compounds, that they are isolated from their socio-economically weaker neighbours in adjacent estates. Their superior socio-economic status allows them to perceive the world from rosier glasses. Given the little interaction they have with the lower-income neighbours, the status quo of minimal inter-estate social interaction could be the preferred scenario for them. Following this logic, a 'harmonious' relationship exists as long as there are no interruptions to their parallel lives.

The second possible reason is derived from the perspective of the longstanding residents in the poorer traditional estates. For them, the reduction in inter-estate social interaction since 1997 represented a significant contrast to the past levels of social ties and interaction in the neighbourhood. The weak inter-estate interaction at present could not be characterised as 'harmonious' compared to previous standards. However, the lack of interaction also translates to potentially reduced chances or instances of conflicts among residents of different estates. Therefore the negatives and positives from the changes somehow balanced each other out. Hence respondents in the middle- and low-income estates selected 'average', which is the neutral option. Future research that investigates residents' desired social relationships with adjacent estates

and their definition of neighbourhood harmony will help to enlighten these hypotheses.

9.4.3 Willingness to participate in neighbourhood activities

Table 9-32 indicates the willingness of residents to participate in activities with residents from adjacent estates. Apart from the upmarket estate CC, the majority of residents from the remaining estates all reported to be willing to engage with their neighbours from adjacent estates (43% in ILC, 53% in XFKL, 59% in HFXQ, and 75% in ZHXC). Although there were very few out-right rejections to the concept, a sizeable proportion of respondents selected 'I don't know' (ranging between 64% in CC to 25% in ZHXC). This neutral answer could either represent an undecided decision, or an unwillingness to truly disclose their feelings towards the issue. Nevertheless, if we disregard the neutral responses, the majority of respondents in this neighbourhood appear to be willing to engage in inter-estate activities despite the minimal levels of inter-estate interaction at present.

Table 9- 32 Willingness to participate in activities with neighbours from adjacent estates

	Luxury estates		Middle-income estate	Poor estates	
Estate	CC	ILC	XFKL	HFXQ	ZHXC
Are you willing to participate in activities with residents from adjacent estates? (%)					
Yes	36.4	42.9	52.6	59.2	75.0
No	0.0	21.4	10.5	5.8	0.0
I don't know	63.6	35.7	36.8	35.0	25.0

9.5 Conclusion

This chapter has explored the inter-estate social interaction in Shimen neighbourhood. It has found that different socio-economic classes, which now occupy the neighbourhood, have little social interaction despite living in proximity. At present, residents rarely interact with residents from adjacent estates. They also rarely shopped at shops located in adjacent estates, which means little chances for casual social interaction in the neighbourhood. In fact,

the levels of inter-estate interaction and inter-estate shopping have both reduced significantly since 1997 when residents' socio-economic differences were smaller. This suggests that the creation of social mix in the neighbourhood due to housing redevelopment has actually diminished the levels of inter-estate social interaction.

The enlarged socio-economic differences among residents have extended into differentiated lifestyles and lifeworlds. Great discrepancies have been found in residents' mobility and stability of residence. Large divergences were also found in residents' grocery shopping habits and education strategies for their children. These differences mean that different social classes in Shimen neighbourhood have very little in common. These differences not only reduce incentives for social engagement with each other, but also diminish actual chances of social encounters in the neighbourhood. The pattern of social interaction found here strongly resonates with the 'social tectonic' metaphor used by Butler and Robson (2001) to describe how different social classes coexist in gentrified areas in London, but they rarely interact. Instead, residents lead parallel lives and occupy different social worlds.

Mentally, residents in Shimen neighbourhood were unanimous in their preference for greater gate control. They also shared a dislike for non-residents venturing into their estates. Despite some residents in old estates fondly recollecting the convenience of passing through adjacent estates, residents now preferred to lead rather separated existences from their neighbours in adjacent estates. Moreover, the practice of gating in upmarket estates has segregated the neighbourhood into distinctly privatised zones. This both deterred and prevented neighbours venturing into adjacent estates, which further diminishes the chances of casual encounters. All together, these differences create powerful 'disjunctures' in the life styles and lifeworlds of socio-economically contrasting residents (Davidson, 2010).

So far, despite the minimal contact and sharp socio-economic differentiation in the neighbourhood, there appears to be no disharmony felt by residents.

However, residents in poorer estates have a lower appraisal on the level of harmony than residents in upmarket estates. This suggests that a difference in perception has perhaps occurred across the line of socio-economic class. Nevertheless, most residents appeared to be willing to take part in inter-estate activities. This suggests that with appropriate and adequate stimuli, chances for greater inter-estate social interaction could potentially be fostered in Shimen neighbourhood.

10 Conclusions

10.1 Introduction

This research aimed to explore social mix in central post-reform Shanghai. It examined the causes of its socially mixed pattern, and the social mixing among residents. Since no research has yet explored socially mixed neighbourhoods in post-reform China, many aspects of this research is pioneering and exploratory in nature. Due to the embryonic state of research in this area in China, a large amount of literature and theories from Western countries have been referred to. Differences between the Shanghai context and the contexts of the Western theories have been recognised and relevant aspects utilised to enlighten the enquiries.

The study complements existing studies on neighbourhood change in post-reform China, particularly on: a) the development process of commodity housing (Dowell, 1994; He and Wu, 2005; Tian and Wong, 2007); b) the demographic, socio-economic and physical analysis of housing estates (Wu and He, 2005; Li and Wu, 2006a; He and Wu, 2007; Chang and Tipple, 2009), and the intra-estate social interaction among residents (Wang, 2002; Wu and He, 2005; Forrest and Yip, 2007; Sun and Lei, 2007).

More importantly, the findings add new knowledge to our understanding of central Shanghai. Specifically, it uncovers: a) mechanisms involved in the development and preservation of different housing sectors, b) the socio-economic attributes of residents in central upmarket housing, c) the internal living conditions of different housing sectors, d) the spatial distribution of mixed neighbourhoods in central Shanghai, and e) the social inequality in a mixed neighbourhood context. In addition, it provides: a) a more comprehensive comparison of intra-estate social interaction between different housing sectors, and b) the first glimpse of inter-estate social interaction in a mixed neighbourhood in post-reform China.

This concluding chapter contains 6 sections. After this introduction, section 2 will recap the research questions and summarise the findings. Section 3 will present the implications from these findings for China and abroad. Section 4 will reflect on this research and present the perceived areas for future research. Section 5 will conclude this chapter and the thesis.

10.2 Findings

This section recaps the three research questions and their findings. For each question, the existing gaps in knowledge, which prompted the enquiries, and initial hypotheses of findings will be summarised, before the findings are presented.

10.2.1 Question 1

How are mixed neighbourhoods created in central Shanghai? What are the mechanisms generating them?

Hypothesis

Existing explanations on Shanghai's residential mosaic focussed solely on the site characteristics of plots and their income-earning potential during redevelopment (W. Wu, 1999; Huang, 2006). I had earlier hypothesised that in post-reform China, where the state and market coexist (Fu, 2002; Wu *et al.* 2007), state housing programmes, market forces related to the supply and demand of housing, and community resistance to redevelopment represent other potentially important mechanisms responsible for mixed neighbourhoods. Thus, a more appropriate framework to address the issue can be derived from combining several research strands from socio-spatial research. This include: a) the US-based polarisation thesis, which focuses on income polarisation of the population reinforced by economic restructuring, leading to socio-spatial segregation via the housing market, b) the Western European welfare state

approach, which emphasises the effects of state policies (in housing especially but also in employment) which narrow the tendency of market forces to reduce social segregation, and c) the community resistance perspective, which highlights residents' resistance to redevelopment, which has led to the protection of their neighbourhoods or public amenities, and their power to remain.

Findings

This study has revealed that central Shanghai currently contains 33 mixed neighbourhoods, each defined as a spatial boundary with a 5-minute walking radius. Each of these contains a mix of residents' socio-economic attributes and housing conditions. Using the example of Shimen neighbourhood, a good representative of mixed neighbourhoods, the study has shown how it has emerged in the absence of a social mix urban policy. Its outcome is the result of an unintended and uncoordinated interplay among state housing programmes, market forces, resident resistance, and property rights issues related to the socialist past. The last issue is an unexpected finding and alters the hypothesised framework to understand the phenomenon.

Supply-side factors

Traditional housing estates in Shimen neighbourhood contain residents of lower socio-economic attributes. Their retention flows from five separate mechanisms:

1. Via Shanghai's expanding heritage protection: The "Shanghai Historical Cultural Areas and Outstanding Historical Building Protection Regulation" (enacted in 2003) and subsequent notices prevent the redevelopment of protected buildings and estates, and apply stringent rules on their renovation. Incumbent residents in these dwellings are allowed to stay until they wish to relocate.

2. Via properties with unresolved property rights: Many dwellings/estates whose owners had fled China when the communist party took over power in 1949 have not been nationalised.¹⁹⁹ These owners still holds the property rights. But in their absence, the state has been maintaining the properties on behalf of the owners. Until these dwellings have been reclaimed or resolved by their owners, district governments prefer to withhold them from redevelopment and the incumbent tenants retain their right to reside in these dwellings.
3. Via the preservation of affordable housing: In response to the “Shanghai Economic and Functional Housing Programme” (SEFHP) released in 2007, several central districts such as Jing’an and Xuhui have begun to retain existing traditional estates as a source of affordable rental housing.
4. Via resident resistance to redevelopment: The revised Urban Housing Demolition and Relocation Management Regulation in 2001 and the promulgation of the Chinese Property Right Law in 2007 have given urban residents supposedly greater legal protection during planned development. Prolonged resident resistance during negotiations with developers can cause long delays in the development process, thus forcing the developer to exclude them from the development, or allow residents to acquire enough time for the development coalition to disintegrate. Successful resistance leads to the retention of estates and their residents.
5. Via the withholding of development according to district plans: Land parcels not yet released onto the land market by the government cannot be bought, thus redevelopment cannot be initiated (Yeh and Wu, 1996). Land parcels are released according to district plans in order to coordinate urban development. Sites near important natural features to the city (e.g. Suzhou River) require approvals from multiple municipal level agencies. The process delays their release onto the land market, leading to a

¹⁹⁹ Only dwellings belonging to members of the oppositional party - Kuomintang, and other national traitors and criminals have been nationalised.

temporary withholding of existing estates (and their residents) from redevelopment.

Parallel to retention, the emergence of mixed neighbourhoods is also contributed by the development of new housing. New housing for the low- and medium-income people is being constructed under the SEFHP (bullet point No. 3 above) launched in 2007. The programme aims to construct 20 million m² of new affordable (both purchased and rental) housing in Shanghai.²⁰⁰ The majority of construction is planned around Shanghai's third ring road (i.e. beyond the centre). But since 2009, central districts such as Jing'an and Xuhui have started planning construction under this programme within their jurisdictions. Three such cases have been planned in Jing'an district, with the pilot project already under site preparation. The new programme plans to reduce the proportion of commodity housing delivered onto the market. In 2008, The Municipal Housing and Land Resources Management Bureau reported that plots for affordable housing construction for 2009 will not be less than 25 per cent of the total land to be released on to the market.²⁰¹ Moreover, 60 per cent of all new housing construction in 2010 will be affordable housing.²⁰² Some newspapers predict that this alteration to housing supply will greatly threaten commodity housing development in areas beyond the third ring road (where the programme is focused). In these areas, the proportion of affordable housing can potentially exceed 40 per cent of the total new housing supply.²⁰³ However the impact on commodity housing in the city centre should be limited.

Some housing for middle-income people is the outcome of the Housing Amenities Fulfilment Initiative (HAFI) initiated by the SMG in the later 1990s. XFKL estate, the pilot project to expand the scale of such redevelopment under

²⁰⁰ Currently the programme is only applied to low- and middle-income individuals and households with a Shanghai *hukou*. However, the SMG has indicated its intention to gradually loosen the selection criteria in the future to accommodate a wider population, see <http://www.lcfcw.com/news/html/100326/QZ6NH10326084055.html>. For the full set of rules and regulations in the SEFHP (2007), see http://www.shfg.gov.cn/fqdoc/wsdz/jjsy/zqyig/200911/t20091106_331451.html. For the full selection criteria on the socio-economic attributes of applicants, see http://www.shfg.gov.cn/fqdoc/fgylyz/201002/t20100208_359760.htm. All accessed on 5 May 2010.

²⁰¹ See http://www.news365.com.cn/wxpd/lslsdt/200804/t20080401_1816215.htm accessed on 5 May 2010.

²⁰² See <http://sh.fangggg.com/v1/hn/50/49685.html> accessed 5 May 2010.

²⁰³ See <http://www.shbiz.com.cn/cms.php?prog=show&tid=89416&csort=1> accessed on 5 May 2010.

HAFI, was developed with substantial government assistance. Great discounts were applied to development costs by waiving several development related fees and taxes. In conjunction, a favourable mortgage was offered to its development fund. This socially-orientated programme aimed to facilitate the return of original residents after redevelopment. Returning residents were offered substantial discounts on their purchase and on subsequent service charges. Consequently, many financially better-off residents were able to return. The remaining new dwellings were sold on the market (at market rates) to recuperate the cost of development. The design and quality of the estate differentiates it from the more lavish and expensive upmarket estates. But good provision of facilities and its central location has attracted the middle-income households. This mixed-income estate is a direct consequence of a government initiated housing programme.

Housing for the high-income people is being produced by developers targeting the urban elites including the emerging wealthy Chinese nationals, expatriate workers, and overseas Chinese (see also Wu, 2000b, 2005). Since the late 1980s many central locations near good public amenities have been developed in Shanghai into luxury housing or condominiums (He and Wu, 2005; Y. Huang, 2006a). These houses command extremely high prices. Characteristics of their development context is similar to the pro-growth coalition identified in the US (Logan and Molotch, 1987), in that the government joins forces with developers, using substantial preferential policies to facilitate the redevelopment of dilapidated areas into higher value projects. It is different to the US scenarios, however, as developers in Shanghai appear to possess a weaker ability to influence the regime and rules of development in terms of urban renewal. In many cases, developers are confronted by escalations of development costs, in spite of preferential policies, due to market forces, changes in local regulations, and internal procedures of governments in dealing with development.

Development costs increase due to: 1) escalating land cost due to the decreasing supply, 2) increasing costs of compensation (and relocation) of original residents due to new regulations on relocation, and 3) unexpected

government procedures which can increase the development cost. Developers have found that the inflating costs could be passed on to eventual clients, raising house prices. As prices increase, developers try to justify price inflation by enhancing their products. This leads to larger dwellings, more lavish materials/appliances, improved public facilities and tighter security features. A progressive escalation of price is thus established. Once developments enter the niche of upmarket housing, developers encounter more demanding and selective clients. This in turn, drives developers to raise the quality of their products in order to outshine their rivals. The combined pressures from supply and demand continuously raise the prices, which makes the dwellings unattainable for the middle and lower income groups. In addition to private developers, the institutional restructuring during the early 2000s had also detached many formerly state-affiliated developers from the state budget, forcing them to behave as private companies. New responsibilities to balance their own profits and losses had led these developers to respond more carefully to market demands. This also made them more likely to scale down their social agenda in redevelopment, and increased the attractiveness to develop for the elite market when opportunities arise.

These findings reveal a complex set of supply-side mechanisms (besides site characteristics) in the formation of mixed neighbourhoods. Housing for different market sectors is created in spatial proximity due to unrelated initiatives which either retain or redevelop housing. The retention of dwellings with unresolved property rights suggests that the socialist past continues to affect the present urban redevelopment and influences the residential mosaic. Consequently, the adequate framework to explain the causal mechanisms of mixed neighbourhoods contains elements in common with all of the main perspectives reviewed at the outset: the US-based polarisation thesis, the Western European welfare state approach, the community resistance perspective, site constraints, and the contextual (socialist) legacy in China, which would fall under the concept of path dependency.

Demand side factors

The persistence of social welfare housing in traditional estates means renters of state housing and work-unit housing continue to enjoy their subsidised rents. This allows lower-income households to remain in prime city locations. In here, the better-off families are able to move out by purchasing commodity housing. However, because they are allowed to retain their use-right of their existing dwellings, some would rent these out to make an extra income. The comparatively low level of rent in these dwellings makes them extremely attractive for migrant workers seeking work in Shanghai. So a proportion of original residents are replaced by migrant workers. On the other hand, incumbent residents, who are economically weaker, are unable to upgrade to better accommodations. These residents become trapped in these dilapidated estates in a process of 'residualisation' (Huang, 2005). In contrast, residents of higher incomes are able to choose their dwellings on the market. Residents of different levels of wealth (Li and Wu, 2006, see also next section on residents' socio-economic disparity in Shimen neighbourhood), are able to select from a widening range of market-based commodity housing sectors. The access to these is filtered by income (Wu, 2005; Huang, 2005).

10.2.2 Question 2

What is the internal structure of a mixed neighbourhood?

Hypothesis

Based on existing knowledge on traditional estates and luxury gated communities in post-reform China (Wu, 2005, 2006; Wu and He, 2005; Li and Wu, 2006a), and a few brief comparative studies on Shanghai's different housing sectors (Zhang, *et al.* 2001; Wang, 2002), this study expected to find significant differences among housing estates in the mixed neighbourhood. The differences should be reflected in residents' demographic and socio-economic attributes, living conditions, tenure characteristics and housing expenditures.

Findings

A. Demographic and socio-economic attributes

Residents in the neighbourhood contrast sharply in their demographic and socio-economic attributes. Traditional estates have a high concentration of elderly residents (over 60s), who are of Shanghai origin. Estates also contain a varying presence of migrants.²⁰⁴ Household heads have mainly moderate education attainment of high school or technical college training. The vast majority of residents are retired. Those in employment predominantly work for SOE's and occupy low status jobs such as basic level staff or labourers. The household income is low with the majority receiving less than 2,999 yuan per month. Their per capita income is comparable to what the official statistics call the average for 'low incomes' in Shanghai.²⁰⁵

Upmarket estates contain younger residents (averaging in mid-40s and 50s) with a high proportion of foreigners and overseas Chinese. Household heads predominantly have a high education attainment with a university degree or above. The majority are employed and almost half possessed managerial jobs. Residents have less connection to state employment. More than half of household heads are employed by foreign or privately-owned companies. The household income is high with the majority earning more than 15,000 yuan per month.²⁰⁶ Their per capita income significantly exceeds what the official statistics call the average for 'high incomes' in Shanghai.²⁰⁷

In the middle-income estate, residents averaged in their mid-50s and are mostly of Shanghai origin. Household heads have mainly moderate education attainment of high school or technical college. Just under half are employed while the rest are mostly retired. Being a mixed estate (i.e. with returnees and newcomers), the employment status is split. Whilst those in employment are

²⁰⁴ The survey missed out on migrant workers. But interviews with residents and impressions of residents from surveys suggested some presence of migrants in ZHXC and a more significant presence in HFXQ.

²⁰⁵ SSB, 2008.

²⁰⁶ In the wealthiest estate, the vast majority of households earn more than 30,000 yuan per month.

²⁰⁷ SSB, 2008.

mainly basic level staff or admin/technical staff, about a third are in managerial positions. Half of household heads are employed by SOE's and about a third by foreign enterprises. The household income is moderate with the majority earning less than 5,999 yuan per month. Their average per capita income is comparable to what the official statistics call the average for 'middle incomes' in Shanghai.²⁰⁸

B. Living conditions

B-1 Provision of public facilities

Traditional estates have poor public facilities. Internal alleyways generally constitute the main public spaces. Greening is mainly limited to trees lining alleyways. Exercise facilities and parking are not always available, and are only found in more spacious estates. Shops such as cheap eateries, tobacconist, and corner stores often line their perimeter. However, anecdotal evidence suggests that shops serving the daily lives of residents had drastically diminished due to urban redevelopment. The estate security is generally poor.

Upmarket estates have a similar level of provision to suburban luxury gated communities (Wu, 2005). About 30 to 40 per cent of the plot areas are dedicated to open spaces and greening, which often include scenic features. Other amenities commonly include a club house, swimming pool, gym, conference facilities, car-parking and activity rooms. Their perimeters are sometimes lined with upmarket shops and cafes to enhance residents' convenience.²⁰⁹ They are generally under 24-hr security management.

The middle-income estate has a good provision of public amenities.²¹⁰ About 26 per cent of the plot is dedicated to greening and public spaces. Other amenities include exercise areas, activity rooms, a fish pond and car-parking. However

²⁰⁸ This equates to between the medium-high and medium-low categories (see SSB, 2008).

²⁰⁹ These are sometimes hand-picked by developers to ensure quality.

²¹⁰ XFKL offers a much higher standard than normal middle-income estates in its price range, as it had won numerous awards for its design and public amenities.

the standard and quality are inferior to those of upmarket estates. A range of shops line two sides of its perimeter (e.g. fruit stores, bakery, pet stores and many estate agents). The estate security is weaker than upmarket estates.

B-2 Dwelling conditions

Dwellings in traditional estates are generally small and dilapidated (Wu and He, 2005). Dwellings in the worst estate (containing mainly *shikumen* houses with some 1930s terraces and 1970s workers' apartments) on average are smaller than 40 m². The vast majority of households occupied a single room. Because households are larger (average 3.1 people in ZHXC and 3.8 people in HFXQ), the average space per capita is under 12 m², which is below Shanghai's average.²¹¹ Because most dwellings are converted from rooms in larger houses (Chang and Tipple, 2009), their layout is often inadequate for the occupation of a household. Most dwellings lack modern facilities so households need to share kitchens, toilets and bathrooms. Due to the shortage of dwelling space, households often appropriated public spaces for storage and/or cooking. Most dwellings suffer from a prolonged lack of maintenance. Main symptoms included creaking/rotten floor and partitions, dampness on enclosures, and deformed or rusted window frames. Thermal and sound insulation is generally poor. The interior security is poor and many residents complained of theft.

Dwellings in upmarket estates are much larger, averaging 130-140 m².²¹² The majority of households (averaging just over 2 people) possess between two to three bedrooms, which equate to 60-70 m² of space per capita. Dwellings contain various layouts. Developers generally ensure good natural lighting and ventilation for each dwelling.²¹³ Expensive materials such as solid wood or marbles are often used. Double glazing, central heating, and imported appliances are also frequently included as standard. Dwellings generally have excellent interior security systems.

²¹¹ Shanghai's average living space per capita is 16 m² (SSB, 2008). The average household size in HFXQ estate is more than 3 people and the largest household contains 10 people.

²¹² The largest units on offer are nearly 600 m².

²¹³ This is done via orientation and spacing between buildings.

Dwellings in the middle-income estate averaged around 80 m². The majority of households (averaging just under 3 people) possess two bedrooms, which equates to about 30 m² of space per capita. Four types of apartments in the estate offer various levels of comfort. The commodity units (more expensive) have a superior quality with more user-friendly layout, better natural lighting and better ventilation.²¹⁴ The cheaper returnee units have lower ceiling heights, less functional layout, poorer natural lighting and ventilation. Basic appliances such as stoves and boilers (domestic brands) came with the purchase. However double glazing and air conditioning is not included. The interior security is moderate. Dwellings generally do not have individual alarms but the two commodity high-rises have a concierge/guard in their lobby.

C. Tenure and housing expenditures

Estates in the neighbourhood contrast sharply in their tenure due to the coexistence of social and market housing, which implies substantial differences in housing expenditures. Traditional estates in the neighbourhood are still predominantly government-owned rental housing (over 60%). Households who had purchased the use-rights of their dwelling (15% in HFXQ) paid on average between 3,800 and 5,100 yuan/m². Since welfare housing has been continued in these estates, the rent remains very low for tenants. The average monthly rental is between 66 and 99 yuan for a government housing (around 1.3 to 1.7 yuan/m²/month), and 41 yuan for a work-unit housing (around 1.1 yuan/m²/month). Subsidies also cover service charges, which households paid on average between 7.5 and 15 yuan per month.

Upmarket estates are predominantly privately owned commodity dwellings bought between 30,000-45,000 yuan/m². Renters pay on average between 16,000 to 17,000 yuan per month per dwelling (around 123 yuan/m²/month). In addition to this, households also pay an average between 450 to 550 yuan per month for service charges. The middle-income estate has an almost even share

²¹⁴ This is due to higher ceiling and wider spacing between buildings.

of privately owned returnee and commodity dwellings.²¹⁵ Returnees had paid just under 5,000 yuan/m² for their dwellings, while commodity households paid almost 2,000 yuan more per m². The average monthly rental is just under 2,500 yuan (around 30 yuan/m²/month). Different rates for service charges are applied to returnees and commodity residents.²¹⁶ The discount is part of the measures to assist the return of original residents. The average monthly service charge for these households is around 110 yuan.

10.2.3 Question 3

What is the locally-based social interaction in the mixed neighbourhood? How has this changed since the neighbourhood became more socially mixed?

Hypothesis

Local social interaction occurs at both the intra- and inter-estate levels. Based on existing literature on post-reform China (Wang, 2002; Wu and He, 2005; Forrest and Yip, 2007), I expected to find a much stronger intra-estate social interaction in traditional estates than new commodity estates. Moreover, due to increased socio-economic differences among residents, I expected to find weak (and weakened) inter-estate social interaction in the neighbourhood. This is based on the existing literature from the West which suggested that socio-economic differences generally lead residents to distinct and separate lifestyles and lifeworlds among residents (Atkinson and Kintrea, 2000; Davidson, 2010). Such discrepancy has been found to be non-conducive to the fostering of cross-class social interaction (see Brophy and Smith, 1997; Butler and Robson, 2001; Rose, 2004; Freeman, 2006; Camina and Wood, 2009).

Findings

²¹⁵ This is due to its policy assistance for original residents to return after redevelopment.

²¹⁶ Returnees' rate is about half of commodity residents.

A. Intra-estate social interaction

In Shimen neighbourhood, intra-estate social interaction is strongest in traditional estates, considerably weaker in the middle-income commodity estate, and minimal in upmarket commodity estates.

Residents in traditional estates maintain high levels of social interaction. This concurs with findings on China's pre-reform housing (Whyte and Parish, 1984). They possess good knowledge of neighbours and involve neighbours in their social routines. The majority interacted daily. The vast majority greet their neighbours, and many engage in deeper forms of interaction such as chatting, borrowing things, and attending same activities. Between a fifth and a quarter of residents regard interacting with neighbours as their normal spare time activity. Social interaction occurs among near-by neighbours and those covering the entire resident committee area. About a fifth of them mainly spend their free time in their estate's public spaces and many can be seen interacting with neighbours in the alleyways, which are watched-over by other neighbours. Mutual help is strong. Neighbours are in the top three choices of help when residents encounter problems. The majority exchange help with each other and would inform neighbours to look out for their dwellings when they are away for extended periods of time. Arguments do arise among neighbours, although these are rare. Main points of conflict are the misuse of public space and shared facilities.

Residents in upmarket estates maintain minimal social interaction. Their knowledge of neighbours is weak. In one estate almost half do not know any neighbours. In another, this included the majority of residents. For both, the majority reported to have rare or no interaction with neighbours. Any existing interaction is infrequent and lacks depth. Apart from greeting, other forms of interactions are conducted by less than a fifth of respondents (often much less). Interaction occurs almost exclusively among near-by neighbours (i.e. residents from the same floor or next door). Very low proportion of respondents actually spends time in the estate's public areas. Mutual help is also extremely rare.

Neighbours are not in the top three choices of help when they encounter problems. The lack of interaction also extends to conflicts, which are minimal.

The middle-income estate is a special estate in which returnees and newcomers cohabit. On the whole, its intensity of social interaction lies between the extremities of the traditional and upmarket estates. But when analysed separately, returnees behave more like residents from traditional estates. Even though facilities have been internalised, they have continued much of the social behaviours from their past experience of living in a traditional estate. Newcomers, however, behave more like residents in upmarket estates. Compared to returnees, they have a weaker knowledge of neighbours and less interaction with neighbours. Existing social interaction is mostly restricted to neighbours living in their vicinity. The only similarity between the groups is in the low reliance on neighbours for help. Both groups did not recognise neighbours as a top three choice of help when facing problems and both groups exchange little mutual help with neighbours. It appears that higher income is a factor in this weakened dependence. Conflicts are rare among residents. This could be due to the internalisation of facilities, as sharing has proved to be a key source of conflicts in the past (Whyte and Parish, 1984), and in traditional estates at the present.

B. Inter-estate social interaction

The social interaction across estates is weak. The majority of residents rarely interacted with residents from adjacent estates. They also rarely shopped in the shops located in adjacent estates, which minimised chance encounters in the locality. The inter-estate interaction in Shimen neighbourhood actually decreased as its social mix increased. According to longstanding residents, the percentages of them who have frequent inter-estate interaction have decreased since 1997 when redevelopment started in Shimen neighbourhood. Similar changes were found in residents' shopping behaviours in adjacent estates.

Other indicators of social mixing also show weak (and weakened) levels of

interaction as a result of redevelopment. Firstly, the education strategies of households have diverged and the children no longer attend the same local schools. Existing literature has emphasised the ability of schools to foster social interaction by bringing children and their parents of different socio-economic backgrounds together (Gans, 1961a; Atkinson, 2005). Anecdotal evidence from longstanding residents suggests that children here used to attend the same schools due to the school zoning system. Consequently friendships were often forged between children and many ended up growing up together to form lifelong friends. In 2008, the number of children in the neighbourhood has diminished due to the in-migration of younger families (to upmarket estates) and the out-migration of families with school children (from traditional estates). Moreover, children of upmarket estates predominantly attend non-local schools (including state, private and international colleges), while children in mid-income and traditional estates predominantly attend local schools. As private schools and international colleges are more expensive, school choices correlate strongly to household income. Consequently children are less likely to grow up together, and their parents have few chances to engage with each other through their children's activities.

Secondly, residents' lifestyle (what they do) and lifeworld (where they spend their time) have also diverged significantly. Greater differences now exist between residents' demographic, socio-economic and cultural attributes in Shimen neighbourhood. Residents in upmarket estates have superior mobility with better access to private cars and taxis. This allows them greater ease and freedom to travel longer distances. Different job status, mobility and income imply different locations and options for work, leisure, and consumption. In terms of lifestyle, a higher proportion of residents from upmarket estates have a transient residential pattern. These people do not live in the neighbourhood permanently throughout the year. Moreover a higher proportion of them have habits of taking vacations away from Shanghai.²¹⁷ Grocery shopping offers another example. Anecdotal evidence suggested that residents from the

²¹⁷ Some longstanding residents in the survey reported that neighbours' transience of residence has been a factor reducing their incentives to engage with their new neighbours.

neighbourhood used to use the local traditional market, where they would encounter neighbours and interacted casually. By 2008, the local market had been closed. But residents from the middle-income and traditional estates still predominantly shop at other traditional markets, while residents in upmarket estates mainly used supermarkets. The frequency of shopping also differs. The former group shopped more frequently. This probably related to their old habits or due to circumstances such as having more free time (due to retirement), or a lack of good transportation (limits the ability to carry large loads at fewer intervals), or a lack of storage space (space shortage). In comparison, more of the latter group shopped only once a week. This could relate to their lifestyle (i.e. busier jobs), or better transportation (access to private cars/taxi), or greater storage capacity at home, which would allow shopping in bulk at lower intervals. Cultural differences may also be important as upmarket estates contain more overseas residents, who may not be accustomed to use traditional Chinese markets.

Thirdly, space in the neighbourhood has been physically divided by 'gating' by new commodity estates, which has significantly reduced chances of casual social interaction. In the past, residents reported to venture into adjacent estates for shopping, socialising, or taking short cuts through the city. Nowadays domains of new commodity estates have been gated and privatised. Consequently the neighbourhood has been divided into separated zones where adjacent residents are excluded from entering. This almost universal desire for security is also reflected in the heavy deployment of security measures in upmarket estates (Wu, 2005). Moreover, designs of these estates have strategically located the shops and services around their perimeter. This allows its own residents the ease of access, but prevents non-residents (shoppers) from venturing into the compounds.

10.3 Implications of findings

Although these findings are based on Shimen neighbourhood, some have implications beyond its spatial boundary. There are three implications. Firstly,

most of the mechanisms that generate mixed neighbourhoods appear robust in the current policy climate. These suggest that more mixed neighbourhoods will likely emerge in the future and that central Shanghai will likely retain the socially mixed nature.

Secondly, the weak local social interaction found in Shimen neighbourhood is likely to be found elsewhere in the city centre. This implication is based on the proliferation of socially barren upmarket estates, the low inter-estate interaction found among socio-economically contrasting estates, and the likelihood of a weakening intra-estate interaction in traditional estates. These suggest that local social interaction is likely to be low in Shanghai.²¹⁸ From the sample of 33 mixed neighbourhoods, Shimen has the mixture of housing sectors shared by all other neighbourhoods. Due to its prime location, its upmarket estates may be more expensive than upmarket estates in other central districts, hence lived by wealthier residents (with perhaps more foreigners).²¹⁹ However, the sample in CC showed the behaviours of a largely overseas population, while the under-sampling of foreigners in ILC had inadvertently provided a sampling, and indication of behaviours, of the wealthy Chinese elites. Their behaviours have not shown much significant differences (both having very weak interaction with residents). Therefore the overall trend in social behaviour differences found in Shimen neighbourhood is likely to be found in other mixed neighbourhoods. If we consider China's current development agenda on social harmony, and the long believed link between social contact and cohesion (Gans, 1961; Sarkissian, 1976), the topic of a weakening local social interaction in China deserves much closer scrutiny.

Thirdly, the creation of social mix has not led to social mixing. This finding concurs with numerous studies conducted in Western cities (Jupp, 1999; Rose, 2004), and strongly challenges the fundamental assumption of social mix

²¹⁸ This is perhaps with the exception of some traditional estates.

²¹⁹ According to Fulong Wu (2002a) "Xuhui, Jing'an, and Luwan Districts stand for more expensive residential areas, with the environment (and image) leading to higher property prices" (p. 1609). Therefore, upmarket estates in these districts may contain more expensive housing, and attracted higher proportion of foreign elites, overseas Chinese due to higher housing price, compared to other commodity estates in other district's mixed neighbourhoods.

policies in many Western countries (A. Smith, 2002; Kleinhans, 2004; DCLG, 2006). It suggests that additional measures, which specifically foster social interaction, are required alongside residential social mix if social mixing is an intended policy outcome.

10.3.1 Social mix in central Shanghai to continue

Significant parts of Shanghai's historical core in Huangpu, Jing'an, Xuhui and large areas in Hongkou districts are still dominated by an old housing stock yet to be redeveloped. These have high potential for new mixed neighbourhoods to emerge. Like Shimen neighbourhood, mixed neighbourhoods will be created when some land parcels (estates) are developed into new commodity and/or affordable housing, while some old estates/dwellings are retained. As policies in China can change quickly, prediction of the future is extremely difficult. However, based on the present knowledge, many mechanisms identified in this study appear to be robust, suggesting that more mixed neighbourhoods will likely emerge in the future. This applies especially to Shanghai's historical core areas, the perimeter zones around the 12 heritage protection areas, and neighbourhoods with a high proportion of workers' apartments such as in Hongkou district. Moreover, if the following retention mechanisms last, the existing 33 mixed neighbourhoods are also likely to retain their status quo even when the perceived rent gap justifies a new round of development for the commodity estates in the respective neighbourhoods.

Four retention mechanisms of traditional estates appear to be robust. Firstly, cultural/heritage preservation is expanding in Shanghai. Although some heritage structures are still being demolished for the sake of modernisation (Economist 2010a), the number of protected areas and buildings listed after the promulgation of "Shanghai Historical Cultural Areas and Outstanding Historical Building Protection Regulation" in 2003 has expanded steadily.²²⁰ As sentiments for protection increase, housing and incumbent residents retained under this

²²⁰ See <http://www.shbsgh.gov.cn/60/47/54/20088654238.html>, and <http://www.shanghai.gov.cn/shanghai/node2314/node2319/node11494/node12331/node12343/node12657/userobject26ai2166.html> accessed on 15 Aug 2008.

mechanism appear to be secure in the future. This implies that zones on the junction between protected areas and non-protected areas, and also neighbourhoods containing protected dwellings/estate will likely see mixed neighbourhoods emerge.

Secondly, the retention of workers' apartments under the Flat-to-Pitch (PGP) programme is scheduled to continue.²²¹ The current Shanghai Housing Development Plan (2006-2010) has specified that the programme will target over 60 workers' apartment estates (around 5 million m²) for redevelopment each year until 2010.²²² The new specification for after 2010 has not been released yet, but in the latest notice on old district renewal released by the SMG in 2009, PGP has been noted as a key method in the continuation of housing renewal.²²³ This implies that areas with a pepper-plotting of workers' apartments are likely to become mixed neighbourhoods when surrounding plots are developed into commodity housing. Thirdly, the retention of 'unresolved' property right dwellings/estates appears to continue. At the time of writing, these have not yet become a renewal priority. No new measures are being proposed to bypass owners' consents in order to instigate redevelopment. Moreover, financial barriers to fund their redevelopment (i.e. re-house the sitting tenants) has remained un-resolved. Until these issues are solved, their retention will likely continue. Fourthly, the planned retention of traditional estates as affordable housing is increasing, and may become more popular. District governments may look to preserve more existing estates if they encounter difficulties to construct and meet the targets established under the new affordable housing programme (SEFHP) of 2007.

The potentials for resident resistance appear to be entering a period of transition due to a new policy announcement to change the procedure of housing renewal in Shanghai. Until now, residents had no say in the decision to

²²¹ The Pinggaipuo programme (PGP) retains existing workers' apartments by upgrading them. The incumbent residents are able to remain after the upgrading.

²²² See <http://www.shjagh.gov.cn/news.asp?id=469> accessed on 9 July 2010.

²²³ See <http://www.shanghai.gov.cn/shanghai/node2314/node2319/node11494/node12331/node12343/node22595/userobject26ai17516.html> accessed on 29 March 2010.

renew their estates. They are notified of the decision of redevelopment after the planning body and developers had reached agreements on development parcels. Developers, which do not have the statutory power to relocate residents, would then hire relocation companies to negotiate and relocate residents. This procedure is highly undemocratic, and residents often have low intention to participate, and perceive the government colluding with developers in a pro-growth coalition. The new policy announcement (2009, No.4 Notice) from the SMG titled "Notice Regarding the Further Progress of Shanghai's Old District Renewal" suggested radical changes to the renewal process by incorporating residents' opinions. The proposal calls for two rounds of opinion polling to be taken for each redevelopment project. The first round, led by the local street office, obtains residents' intentions on redevelopment prior to renewal. More than 90 per cent of residents have to agree to renewal before the plot can formally enter the renewal process. A second round of opinion poll will be conducted during negotiations for relocation. Once over two thirds of residents have signed their agreements with the developer, then the renewal project can be officially announced. If the proportion of resident fails to reach this quota in either rounds of polling, the project will be cancelled, and renewal for this plot will not be reconsidered for at least 2 to 3 years.²²⁴ Depending on the execution of this policy, the potential of residents to opt out of renewal could be greatly strengthened.

10.3.2 Weak neighbourhood-based social interaction

Three factors suggest that weak local social interaction found in Shimen neighbourhood could be pervasive in the central city. Firstly, the sharp contrasts found in intra-estate social interaction between the traditional and new upmarket estates points to the erosion of social interaction by new housing development. As dwellings and their facilities (W/C and bathroom etc) become internalised in commodity housing, residents have less need to share facilities as opposed to residents in traditional dwellings. This implies that they have less incentive or

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<http://www.shanghai.gov.cn/shanghai/node2314/node2319/node11494/node12331/node12343/node22595/userobject26ai17516.html> accessed on 30 Mar 2010.

necessity to maintain an amicable relationship with neighbours, and also less chances to interact with neighbours. Moreover, wealthy residents can easily replace many functions traditionally provided by neighbours via services from their housing management company or from the market such as nannies, repairmen and cleaners. Thus they have less reliance on neighbours. In addition, busier lifestyles stemming from the higher proportion of professions in new developments may entail less free time and/or incentives to mingle with neighbours. Therefore the proliferation of commodity housing estates suggests an increase of socially barren estates like CC and ILC found in Shimen neighbourhood.

Secondly, significant gulfs among the lifestyle and lifeworlds of residents in the mixed neighbourhood have led to very weak levels of inter-estate social interaction. The situation is compounded by the physical segregation stemming from gating used in new developments. Cultural and linguistic barriers (e.g. more foreigners in upmarket estates) further diminish socialisation. The same phenomenon is not hard to imagine in other mixed neighbourhoods.

Thirdly, even though fairly strong intra-estate social interaction has been found in traditional estates, changing social structures in these estates, and the age of most residents, suggest that this could decrease in the future. Firstly, changes can be caused by migration. When the financially better-off families move out and other low socio-economic residents (e.g. migrant workers) move in, new mixes of residents will be formed. New found differences between residents in demography, socio-economic attributes, social status, culture, language, religion, and finally lifestyle and lifeworld may reduce current levels of social interaction. Secondly, changes can occur internally by the turn over of generations. As the current generation (e.g. household heads that were surveyed) pass away; their offspring may not continue the same social dynamics with neighbours. For example, Wu and Hu (1997) had reported significant inter-generational differences on residents' attitude towards neighbours in a neighbourhood relationship study in Shanghai's Pudong district. According to one interview, a father was saddened by the diminished neighbourly interaction in

compartmentalised new dwellings, while his son considered that the forms of neighbourly interaction in the past means very little to his daily life (p. 29). More work on this area is needed to ascertain this hypothesis, but the likelihood cannot be ruled out.

The danger of a weak local social interaction is that it could lead to weak social ties and/or mutual understanding among residents. As communication stops, social distance may increase, chances for co-operation may diminish, which may adversely affect the social cohesion at the grass-root (neighbourhood) level. Seen from this angle, weak local social interaction may be problematic for China as it has identified social stability and cohesion as its core development agenda. The concept of “A Harmonious Society” was first proposed in 2004 at the 4th Plenum of the 16th Central Committee of the Communist Party of China. The four day plenary session was the first one in 25 years that focused on social issues rather than economic or political development. It discussed issues of health, education and social welfare with the aim to reduce social inequality and to ensure social stability. Since Oct 2006 this concept was formally endorsed across the country. Similar ambition can be found at the local level. As mentioned in chapter 5, Jing'an district's 11th five year plan included development objectives to deliver a “colourful cultural environment”, which possessed a community culture, which supported a harmonious fusion of different existing cultures, and which provided for the spiritual needs of all the residents. Furthermore, from an urban evolution point of view, scholars have also pointed out recently that China has now entered a more complex period of development (which is beyond the initial emphasis on economic growth) that needs to encompass broader ideas of social cohesion, ecological sustainability and livable city (Friedmann and Chan, 2009). Both ideas have recently gained potency as the Gini coefficient of income in China reached 0.47 in 2008, the same level as the United States (Yang, 2010).²²⁵ Rising inequality and weakened local social interaction at the neighbourhood is a potentially toxic mix for social cohesion and stability.

²²⁵ Moreover, Chinese city dwellers are now earning three and a half times as much as their fellow citizens in the countryside, the highest urban-rural income gap in the world (Yang, 2010).

Thus it is important for China to improve its understanding of changing social dynamics. At the micro-urban level, this includes studying the changing local social interaction and social ties and their impacts on harmony and cohesion. In parallel, measures that can foster local social interaction/cohesion should also be explored now. Without addressing these issues, China runs 2 gambles. Firstly, it runs the danger of allowing neighbourhoods to become 'nominal communities', which are characterised by a lack of or infrequent interaction among residents (Thomas, 1991). According to Thomas (1991) nominal communities "may well be perfectly effective for the 'privileged', who have a choice about how far their social life is constituted around the family, the neighbourhood or groups and people outside in a wider area. Faced with problems, these people have a range of choices for seeking support including the possibility of buying expert advice. There is a crucial difference, however, for the 'underprivileged'. These people, in stark contrast to their more affluent fellow citizens, are those who have no choice in how their social life is constituted, and have to face difficulties with little access to solutions to problems outside their neighbourhood or through commercial services (p. 20)." This is highly pertinent as evidence from this study and others have shown the rising inequality among urban residents, and the high proportion of the poor concentrated in traditional estates (Wang, 2004; Wu and He, 2005; Li and Wu, 2008). Secondly, it gambles that social order can be maintained by nominal communities. Although Kleinman (1998: 10) had previously questioned whether social order requires social cohesion, it is perhaps safer to try to steer neighbourhoods into cohesive communities before serious social disengagement and/or entrenchment are established among its rapidly differentiating social groups. Social cohesion is seen here as more favourable and conducive to social life than non-cohesion. For these reasons, delays in addressing the situation could lead to costly and more difficult intervention in the future.

10.3.3 Social mix does not lead to social mixing

Little social mixing was found in Shimen neighbourhood. This finding concurs

with studies from gentrified areas and mixed developments in the West, where minimal cross class interaction was found (Butler and Robson, 2001; Rose, 2004; Freeman, 2006; Davidson, 2010). A 'social tectonic' relationship was found to exist between the gentrifiers and incumbent residents in gentrified boroughs in London, where the two groups coexist in the same areas but simply rub past each other like strangers (Butler and Robson, 2001; Butler, 2003). The same can be said of Shimen neighbourhood.

As a whole, these researches present a strong argument that social mix does not lead to social mixing (Lees, 2008; Walks and Maaranen, 2008). This growing body of evidence strongly challenge the fundamental assumption of Western 'mixed-income', 'mixed-tenure' policies, that social interaction takes place as a natural corollary to residential proximity. In Shimen neighbourhood, factors related to residents' socio-economic status, life cycle, culture (alongside physical separation) have contributed to the weakening of intra-estate interaction in commodity estates, and the weakening of inter-estate interaction in the neighbourhood despite the increased level of social mix. These findings support the view of Paul Cheshire (2007, 2009) that socially mixed policies in the West (and their supposed positive effects on the poor) are currently based more on faith than fact.

Social mix policies in the West encompass a wide range of ambitions. They include de-concentrating the poor, alleviating social malaise, introducing positive role models, enhancing life chances (of the poor), upgrading severely disinvested areas and promoting social cohesion/inclusion to name a few (Crump, 2002; Kleinhans, 2004; Berube, 2005). It is nevertheless clear that, where the ambition is to cause positive changes to life chances, promote the exchange of social capital and contribute to a convivial social landscape and cohesion, the success will depend on having social interaction among the socio-economically discrepant groups (Wilson, 1987; DETR, 1999, 2000; DCLG, 2006). Since social mixing is not naturally induced by residential proximity, this research strongly recommends that supplementary measures to foster social interaction to be explored and implemented if social mixing is a desired

outcome.

10.4 Present and future research

10.4.1 Strengths and limitations of the present research

Strengths

A particular strength of this research lies in the author's willingness and flexibility to recast and readjust the research focus during the research process in light of new discoveries from the fieldwork. This has allowed the author to expand the original scope of the research, and add a highly informative exploration of residents' social interactions to the research. The new component is not only a key component of residents' social spheres, but one which has undergone significant changes due to post-reform housing redevelopment. A further strength of this research lies in its combined exploration on the development processes (including the institutions and actors), spatial and physical consequences of development, and the social impacts of neighbourhood change into one research. This approach is still rare in planning literature. Existing researches have predominantly focused on the development processes and/or social impacts. However, the spatial and physical environments contribute importantly to residents' living conditions, and also influence their social dynamics.

Limitations

Several limitations are embedded in this research. They include: 1) the use of just 1 case study, 2) the under-sampling of certain types of residents, 3) omissions in questionnaire surveys, and 4) data restrictions and forecasting policy trajectories.

- 1. Perceived weakness on the validity from a single case study:** Questions of validity on the implications largely drawn from one case study must be

confronted here. This study settled with a single case study largely due to feasibility issues on conducting surveys in China. However, after comparing the 33 mixed neighbourhoods found in central Shanghai, it becomes clear that the case study neighbourhood contains a mixture of the predominant housing sectors in central Shanghai and the possible range of residents likely to be found in central mixed neighbourhoods. Regarding the mechanisms of development, Shimen neighbourhood contains a wide range of development and retention mechanisms responsible for the emergence of mixed neighbourhoods. Moreover, any other relevant mechanisms not found in the neighbourhood (but came into the author's knowledge) have been included in the study. Regarding the internal structures of mixed neighbourhoods, variations in residents' socio-economic attributes and living conditions may identified in other mixed neighbourhoods depending on the standard of development within each housing sector (pending on their location in central Shanghai). But this should not greatly affect the trend reported on the overall differences between these housing sectors. The wide range of living conditions, housing types and socio-economic attributes of residents in Shimen neighbourhood has been fertile in revealing the social and spatial inequalities in these contexts. Nevertheless this research did fail to capture the traditional garden villas and early commodity apartments sold exclusively to the domestic population (*neishao fang*). The former are predominantly state rental housing and thus the residents are likely to share similar socio-economic attributes as the residents in other types of traditional estates. The latter is a cheaper type of commodity housing established especially in the early part of the market-based housing reform, which catered for the comparatively poorer domestic buyers compared to foreign and overseas Chinese house buyers (Walker, 1991). This type of housing was formally abolished in 2001.²²⁶ The pilot study of this research did survey an estate in this category. Residents there were found to have similar socio-economic attributes to the traditional estates reported in this study. With these caveats in mind, Shimen neighbourhood can be conceived as a

²²⁶ In 2001, the distinction was when the separate land markets for "domestic-only" (*neishao*) and "foreign-only" (*waishao*) were officially merged into one. For more information on these two housing sectors, see Walker, 1991.

good representative of mixed neighbourhoods in central Shanghai for the purposes of this study.

2. **Under-sampling of certain residents: Difficulties with surveying meant** that migrant workers in traditional estate HFXQ and foreign expatriates in upmarket estate ILC were under-sampled in the data. According to the resident committee of HFXQ, no official figures could be given on the number of migrants. But data from surveys and interviews with residents suggested a significant presence. For ILC, the housing management company estimated 300-400 households out of the total of 1,100 in ILC were foreigners. If these missing residents were included in the survey, they would have affected the data, especially on the socio-economic attributes and possibly on social dynamics. However, these omissions should have limited impacts on the overall pattern of contrasts found among the estates in the neighbourhood.
3. **Omissions in the questionnaire:** In hindsight, this study missed an opportunity to further explore certain aspects of social interaction, especially the inter-generational differences between residents, and the aspect of cross-class social interaction because these concepts were developed after the completion of the questionnaire. The first relates especially to traditional estates. Most of studies on social interaction in China's traditional estates (including this one) had sampled residents who had been brought up under the socialist regime (i.e. household heads who are old). These residents had basically maintained their social behaviours towards neighbours which were developed from the past. This is helped by the relatively stable residential pattern in these estates, meaning neighbours had largely remained the same. They therefore create a homogenous impression that social interaction is strong among all their residents. Following from this, this impression may also give a false impression that by preserving the traditional estates, these social dynamics may be preserved. However, as pointed out in the previous section, significant differences may exist between household heads and their offspring, leading to the possibility that social

dynamics are more complex. A weakening of dynamics is thus plausible as the older generation pass away. The second relate specifically to the different social dynamics of returnees and newcomers in the mixed-estate XFKL. Information should have been gathered on whether the groups interact with each other or just among themselves (i.e. returnees with returnees, newcomers with newcomers). This will be useful in enhancing our understanding of the social interaction in a 'mixed' estate.

4. Data restrictions and limitations in foreseeing policy trajectories:

Limitations in official government statistics meant that some contextual figures were estimates by the author based on the best available official statistics, whilst others are based on recollections/knowledge of interviewees. This includes the proportion of traditional housing within the central city, demographic information on estates in the past, and the retained properties with unresolved property rights. In addition, the difficulties involved in accessing government officials meant that the knowledge on certain policies (e.g. methods in assisting returnee residents in XFKL, the new programme to retain affordable housing) were based on the comments of limited individuals, which cannot be corroborated against other sources of information. As many policies were executed in a decentralised manner in Shanghai (i.e. each district government operate independently), this study is heavily based on Jing'an district, where the author found the most support from officials and developers. Approaches by other districts may be variants of the ones elaborated in the thesis. Lastly, the rapidly changing nature of policies in China means it is incredibly hard to foresee any changes in the future. Deviations from the predictions offered in this study are likely to happen.

10.4.2 Future research

This research has identified several areas for further exploration. These include: 1) duplicating studies on other mixed neighbourhoods, 2) social interaction between returnees and newcomers in mixed estates, 3) longitudinal study of

local social interaction, 4) extra-neighbourhood social networks, 5) community governance in mixed neighbourhoods, 6) impacts of social mix on different social groups, and 7) trials and evaluations of measures which might be put in place to foster interaction and cohesion (see section 10.3 above).

1. Duplicating studies on other mixed neighbourhoods

In order to test and proof the validity of the implications from this study, studies on other mixed neighbourhoods are required. Even though the chosen neighbourhood encompass a wide range of housing types and social classes, implications drawn from it will always be tentative due to its small sample. Studies of other neighbourhoods may reveal more mechanisms in the creation of social mix, more types of social enclaves in housing estates, and back up if the social interaction found in the traditional, middle-income and upmarket estates in Shimen neighbourhood is found elsewhere. The latter will strengthen or weaken the validity of the implication that local social interaction in Shanghai will be low.

2. Social interaction between returnees and newcomers in mixed estates

As mentioned before in the previous section, questions still exist for the socially mixed estate (XFKL). These include whether returnees and newcomers interact, how do they interact, and why do they interact. If we can identify the factors that contributed to their interaction (e.g. public facilities, estate layout, smaller socio-economic gaps among residents...etc), these can feed into strategies to promote social interaction in future mixed developments.

3. Longitudinal study of locally-based social interaction

The strong social distance discovered among residents in Shimen neighbourhood suggests that the inter-estate social interaction in the mixed neighbourhood is unlikely to improve over time. But evidence from a longitudinal study on Shimen neighbourhood will be required to validate this hypothesis.

Existing studies in the West have suggested that time is the most important factor in improving local social ties (Kasarda and Janowitz, 1974; Sampson, 1988). However, this study has shown that differences among residents (in lifestyles and lifeworlds) may be too great for the social distance to be diminished without the social intervention proposed in the study.

Furthermore, as mentioned in the previous section, we still do not know how intra-estate social dynamics will change in the future. For new commodity estates, will time improve the social interaction among their residents? The current hypothesis is that the current set up of living arrangement (independent units) and residents' socio-economic factors (busier life styles and wider lifeworlds) will be strong enough to maintain the current levels of social interaction (i.e. stay low). For traditional estates, we do not know how the intra-estate social interaction will change when the younger generation replaces the current household heads. Will they retain or discard the social behaviour of their parents? Finding to this question will inform: a) whether retaining traditional estates means enough protection of the strong social dynamics currently found in traditional estates, or b) will additional intervention be needed to secure this level of social interaction. Only long term monitoring can provide answers to these questions.

4. Residents' extra-neighbourhood social networks

This study has revealed contrasting levels of social interaction among housing estates in Shimen neighbourhood. These are social interactions with neighbours from their local neighbourhood. What we still do not know are the extra-neighbourhood social relations of residents.

Do residents in traditional estates also maintain strong social interaction with their extra-neighbourhood social contacts? How do these dynamics of social interaction differ to their local contacts? In the past, these residents' extra-neighbourhood social contacts had been constrained by political and technological factors (Whyte and Parish, 1984; Friedmann, 2005). Has the

transformation in personal freedom, telecommunications and transportation in the post-reform period allowed personal social networks to expand geographically? How relevant are these to residents' everyday lives as opposed to their locally-based social networks?

On the other hand, do residents in new commodity estates maintain extra-neighbourhood social contacts? How do these social dynamics differ from those that they keep with neighbourhood-based social contacts? Are the weak intra-estate social interaction compensated by stronger extra-neighbourhood social interaction? If this is the case, it will suggest that these residents have a stronger reliance on non-neighbourhood based social networks, and that locally-based social networks have less relevance to their lives. If this is not the case, it would suggest that the interpersonal relationship in post-reform Shanghai is shifting towards more individualisation and social isolation. In such case, Shanghai could become a "society of limited liability" (Wellman and Leighton, 1979). Or will the local relation still bear, but more specialised, roles in parallel to expanding emphasis on extra-neighbourhood networks - in what Guest and Wierzbicki (1999) called a "community mediate"? Works by Wellman and Berkovitz (1988) and Guest and Wierzbicki (1999) offer examples of further research in this direction. Studies in this area will complement the current study on local social interaction and improve our understanding on the changing social relationships in post-reform China.

5. New neighbourhood-level governance for mixed neighbourhoods

This study has shown the enlargement of socio-economic and behavioural differences among residents in a mixed neighbourhood. Its residential mosaic now embodies a greater variety of interests and needs of residents compared to the past when it was more socially homogenous. At present, residents of different cultural backgrounds and socio-economic levels have altered the traditional relationship kept between residents and neighbourhood level government bodies (e.g. resident committees). During the mapping of social structures in Shimen neighbourhood, this research has discovered contrasting

levels of ties between the residents and their RCs (see Appendix 4). It has found that residents in new commodity estates maintain very minimal ties with their RCs, while residents in traditional estates still maintain strong ties (and strong reliance) with their RCs. This is shown in the frequency of contacting the RC, and in residents' knowledge of RC members. Other clues are found in the changing help structure of residents. Whilst residents in traditional estates regard the family, neighbours and the RC as their three most important sources of help; residents from upmarket estates would approach the family, friends and the housing management company for help. This suggests that the ties between residents in upmarket estate and their RC is very weak, and that the channel linking them to their estate matters has been shifted to the professional service companies rather than the RC. Traditionally, the RC plays a key role linking the state to the residents at the grass-root level. It organises social services, resolves disputes among residents, and is a key tool for social mobilisation (Read, 2000). If the effectiveness or relevance of this traditional linking mechanism has been weakened, what could be an appropriate medium for communication (especially with the residents in upmarket estates)? How should the RC adapt to maintain their role and functionality for residents in new upmarket estates when residents are relying less on their services? How can such link (with the RC) be fostered and maintained when many of these residents are from a different culture which does not have such an institution? If residents from upmarket estates have stronger connection with the housing management company (HMC) instead (as suggested in the survey), should some tasks related to community maintenance be taken over by these bodies? If so, how should the work be divided between the RC and the HMC?

6. Mechanisms and effects of social mix on different residents

This enquiry picks up from the questions posed by Walks and Maaranen (2008), who pertinently drew attention to our lack of understanding so far on the workings and effects of social mix. Questions include which type of social mix is

the best, and how do different types of mix affect different types of residents? ²²⁷ Answers to these broad questions will have significant impacts on social mix policies. If the goal of social mix is to enhance social mixing (i.e. other benefits will follow on from social engagement), then this study believes that measures to enhance social interaction is more important than achieving the right social mix. That is to say, if the key issue is not to break up the concentration of poverty, or reduce social malaise, or improve life chances of the poor as in the West, but to address the apparent dilution of local social interaction (as in the case in Shanghai), then measures to facilitate social mixing are perceived to be more important. However, if other goals are included, then getting the right mix will no doubt be vital. Exploration into this area will greatly benefit the debate.

7. Trials and evaluations of measures to foster interaction

As mentioned in the previous section, the recommended programmes to enhance neighbourhood-based social interaction will have to be trailed and evaluated to further our understanding of how they work, which social groups respond better to which, and how effective they can be in achieving greater social interaction.

10.5 Concluding remarks

This study has made a pioneering attempt at analysing central Shanghai's mixed neighbourhoods. It has contributed to the knowledge of neighbourhood changes in post-reform Shanghai. Through the analysis of its causal mechanisms and internal structure, it has contributed to our understanding of the micro-level socio-spatial differentiation in central Shanghai. Moreover, through the analysis of its local social interactions, it has improved our understanding of the local social dynamics among residents, and social impacts due to urban development.

²²⁷ Recently, scholars like Mohan and Twigg (2007) and Baum *et al* (2010) have started to explore the balance of socio-economic mix and residents' satisfaction with their neighbourhood.

Using the lens of Shimen neighbourhood, we can see that Shanghai, on the one hand, is becoming more similar to cities in the advanced capitalist countries. We see the results of market reforms in the increasing stratification and rising inequality in residents' social, physical and educational spheres of life. We see the results of economic restructuring affecting the employment structure, the inflow of foreign elites and the creation of new domestic middle- and elite-classes. We also see new market forces operating in the real estate market and urban redevelopment processes, rearranging the socio-spatial pattern of urban space. Finally we see the progressive steps towards the protection of property rights and the rising power of local communities in the redevelopment process. On the other hand, Shanghai continues to retain many facets of its socialist core. These not only coexist, but often interfere with market forces in the creation of urban space. In urban redevelopment, we see what Dingsdale (1999) called the socialist 'antecedent conditions' is still highly relevant in Shanghai as in Eastern European countries' transitioning from a socialist past. This is revealed by the preservation of traditional houses with unresolved property rights, which still affect the residential mosaic in the central city. Other facets of the socialist regime are revealed in the continuation of the welfare housing schemes in traditional estates, in the ambitions of various socially-orientated renewal programmes (albeit with different degrees of success), and in the new efforts to create affordable housing. The Chinese state is forced to adapt constantly, issuing new policies and programmes (often learning from small scale pilot schemes) in order to cope with rapid changes brought on by market reforms, whilst trying to adhere to and justify its regime of a socialist-market economy. With these changes in mind, the optimal way to interpret the present urban mosaic in central Shanghai is to view it as the complex interplay among state policies, market forces, antecedent conditions, and rising social mobilisation.

The speed of changes taking place in post-reform Shanghai (and China) makes studying it a challenging but fascinating task. Neighbourhoods can transform radically within months. The investigator would work constantly under the strain that the present phenomena will soon become history. However, such energy and dynamism in urban transformation also adds to the excitement of

participating and observing its development. During this journey, what started out as a case study of neighbourhood change has uncovered pertinent implications to urban governance and broader sociological changes in the Chinese society. The joy of discovery and potentials for these findings to contribute to positive changes make the endeavour ever more satisfying. I hope that the issues embodied in this research will extend to more researches in the future and inspire others to join in the exploration.

APPENDICES

Appendix 1: A glossary of special terms

City Castel Estate (CC): A luxury residential estate. The first phase of development was completed between 2003 and 2006. Phase two is currently underway and expecting completion at the end of 2010.

Danwei: or the **work-unit** is the product of the socialist regime of resource organisation, and refers to the department or organisation which an individual is employed by. In socialist China, each person is assigned to a work-unit. It is in charge of the management of household register, the staple of food supply, all medical services and all housing. It is also in charge of ideological remoulding, political study, policing and security matters, marriages and divorce, entry into the Communist Party, awarding merit and carrying out disciplinary action (Dutton, 1998: 43-44). The importance of the work unit began to fade in the 1990s. With the economic reform and gradual detachment of the population from state employment due to layoffs and increasing proportion of employment in the private sector, the role of work-units are declining, and welfare responsibilities are increasingly taken over by local government and neighbourhood committees (Tang and Parish, 2000)

Guanxi: This can be translated in English to mean ‘relational networks’ of people (Dutton, 1998). *Guanxi* is fundamental in the Chinese social network, and is widely used by people to achieve specific goals i.e. to meet somebody in a influential position, fast track government permissions, or secure capital for investment projects etc. Possession of good *guanxi* can get things done much more easily in a Chinese society.

Heng Feng Xiao Qu Estate (HFXQ): A traditional residential estate made up of predominantly *shikumen* houses built circa 1900. In the estate there is also an old apartment block built around 1900, and a few workers’ apartments built around the 1970s.

“High-standard style” residential compound: The “high-standard style” is a class of residential estate devised by the Shanghai Municipal Government in April 2000 to increase the standard of residential development. It applies to all residential developments larger than 50,000 m², which are situated within the city’s inner ring-road. To be labelled a ‘high-standard’ estate or *shi gao*, which literally means 4-highs, the development of the estate has to meet a number of set criteria covering the initial planning, design, construction and the eventual management of the estate.

Housing Amenities Fulfilment Initiative (HAFI): This is a housing renewal programme launched by the Shanghai Municipal Government that spanned between 1991 and 1996 with the aim of clearing inner-city slums and renovating old dilapidated housing stock, especially those of small living space and lacking private kitchen and sanitary amenities. In 1997 the Shanghai Municipal Government issued a circular “*Implementation Comments on Speeding up Housing Amenity Fulfilment*”, which called for district governments and developers to further improve housing standards. XFKL estate, a development initiated by the Jing’an District Government in 1998, was the pilot HAFI project on the scale of an entire street block in Jing’an district.

Housing management company (HMC): This is a new business entity that arrived in China after the establishment of the private housing market. A housing management company is hired by the developer to take charge of maintaining the security, vegetation, and services for the residents of commodity housing estates. These tasks were traditionally provided by the state’s Housing Administration Bureau when all dwellings were owned and maintained by the state. Nowadays, households in commodity estates pay a monthly service charge that goes toward the maintenance of their estate’s compound. More recently, homeowner associations have been created by the owners of housing estates, which can change the housing management company if the association finds the services provided by the company unsatisfactory.

Hukou: *Hukou* is the **household registration** in urban China, and it

distinguishes the urban residents from the rural residents. The current version of *hukou* registration booklet documents the name, sex, birth place, relationship to head of household, ethnicity, religious orientation, blood type, military service record, and marriage status of urban citizens. Through the *hukou*, an urban resident can receive social assistance, entrance to local schools and medical care provided by the state (Tang and Parish, 2000:23-27). It originally began as a form of mobility control imposed by the socialist state to control the population movement, established soon after the communist party took over power in China. Social assistances linked to *hukou* registration were used to prevent unauthorised migration of rural residents into the urban centres to ensure resources for the prioritised development of urban centres (Cheng and Seldon, 1994).

International Landoll City Estate (ILC): A luxury residential estate developed under the New Round Redevelopment Initiative (NRRI) between 2000 and 2003.

Jiedao, or jiedao banshi chu: Also known as the **street office**, it is a sub-district administrative body of the government in charge of the population. Each *jiedao* has about 50 staff members, and controls a population of approximately 20,000 (about 3,000 to 5,000 households) and 15 to 25 resident committees (Li, 1994).

Lilong: A *lilong* or refers to a residential compound of traditional *shikumen* houses (see *shikumen*), which includes the network of narrow alleyways between the houses. "Clustered shikumen houses were often called *li*, while the regular corridors between the rows of housing blocks were called *nong* (or long) meaning alley." (Lü *et al.* 2001: 41). According to Zhao (2004): "... *lilong* is a combination of two equally important words *li* and *long*. According to the Great Chinese Vocabulary dictionary, *long* is used as a noun here, referring to a small street, an alley; while *li* is a word that has been associated with human settlements in different ways: 1) a place where people live, such as villages in the countryside or neighbourhoods in the cities; 2) a home town; 3) dwellings in a neighbourhood; 4) a basic organisational unit in residential management in

ancient China, ranging from 25 households to 50, 72, 80, 100 and even 110 according to different historical periods; 5) a measurement unit of length in ancient China, about 500 metres.” (C. Zhao, 2004: 50)

Land Use Right (LUR): The right to use urban land, which can be purchased. This is detached from the actual ownership of urban land, which belongs to the Chinese State.

Neishao housing: Housing developed exclusively for the sale to domestic residents only. This regulation was erased after 2001 when the distinctions between domestic and foreign commodity housing were removed.

New Round Redevelopment Initiative (NRRI): This is a second round of the housing renewal initiative (after the HAFI) launched by the Shanghai Municipal Government (SMG) in 2000. After 2000, the SMG decided to redevelop the remaining 20 million m² of dilapidated housing in the inner-city, improve 3.5 million m² of workers' apartments and develop conservation measures for 10.2 million m² of garden houses, old apartments and some new style *lilong* houses. The priority was to develop old style *lilong* houses (14.3 million m²) in the central city. ILC estate was developed under the NRRI initiative between 2000 and 2003.

Qiyie: This term in China covers employees of all types of business enterprises in both the state and the private sector.

Resident Committee (RC): The resident committee (*jumin weiyuanhui*) in China represents the lowest tier of government presence at the neighbourhood level. It passes down party or governmental messages to residents, and handles basic social services and organises social events for the residents in their jurisdiction. According to Li and Wu (2008: 409) “The residential committee is the lowest administrative unit of urban China. It is different from the other administrative levels in that it is a ‘self-organised mass organisation’: according to the ‘Rules on the Organisation of Residential Committees’ promulgated in

1954 by the National People's Congress, the residential committee should be elected by residents and act under the guidance of base-level government or its agencies, e.g. sub-districts. Residential committees were financed by local governments under the budget for administrative expenditure and therefore became the arm of the local government. For example, they undertake tasks such as the maintenance of public order, basic welfare provision and mobilising people during political movements, all assigned by higher level governments." According to the authors, it looks after an average of 3,000 residents (p. 409). According to Read (2003): "... these bodies provide liaison between grass roots and the municipal authorities and police, But they are directly managed by the Street Offices (*jiedao banshichu*), which are the city government's ward level branches. They facilitate a substantial list of government programmes, including those orientated toward providing services. For example, the RCs help the city government identify which households are most in need of welfare relief and also distribute, or sell at a discount, small items ranging from water-conserving spigots to dish-washing detergent. At the same time, their detailed knowledge of local affairs allows them to help the government and police target unwanted migrants, violators of the strict family planning policy, criminals, dissidents and other deviants. They also serve as sounding-boards for residents, who can come to them with all types of problems and grievances; they often attempt to mediate small-scale disputes, such as squabbles over excessive noise or cheating on shared electricity bills." (p. 37-38). The population of each RC varies. In the case study neighbourhood, each RC looks after one street block with a population of about 4,000-6,000 people. According to Wu (2002b), each RC is in charge of 10-600 households, and has between 7 and 17 staff. According to Chan (1993), the RCs in Guangzhou, in Southern China, each resident committee looked after around 25,000 residents.

Returnee or returnee residents: Returnee residents are people who originally lived on a site that later underwent redevelopment; and have since returned to the site and living in newly developed dwellings. The government in Jing'an district experimented in the late 1990s and early 2000s with a number of renewal projects to guarantee a proportion of original residents to be returnees

after the renewal of their estates.

Shikumen or shikumen house: A style of houses built in Shanghai between 1840s and 1940s. It is characterised by the stone frame of its front entrance, and the large black wooden gate, which gave the house its name. *Shikumen* literally means stone, storage, and door. The style is a scaled down version of the traditional courtyard houses found in Southern China (Zhao, 2004). The reduced scale was a response to cope with limited land within the foreign concession areas and the intense demand for dwellings during the period in which these were built (Li, 2004).

Shiyie: *Shiyie* is used in China to cover trained professionals in the occupations such as lawyers, doctors, teachers, scientists etc

Street office: see jiedao

Work-unit: see danwei

Xing Fukangli Estate (XFKL): A medium-priced commodity estate developed as a pilot housing renewal project by Jing'an district under the HAFI initiative between 1998 and 2001. It was the first of its kind in Jing'an district to cover the scale of an entire city block. All previous experiments have been on a smaller scale such as a lane of houses, or a few blocks of houses. It was built on the site of the original Fukangli estate, and about 50 per cent of residents are returnee residents.

Yuan: Also known as the *Renminbi* (RMB). It is the official currency used in China. On 14th October 2008, 1 yuan equalled 0.084 Pounds Stirling, or £1.00 roughly equals to 11.9 yuan.

Zhong Hua Xing Cun Estate (ZHXC): An old residential estate in the form of terraced apartments built circa 1920s.

Appendix 2: Aerial photos of mixed neighbourhoods in central Shanghai (continued from Chapter 4)

Figure A- 1 Mixed neighbourhoods in Zone-A (No. 7-12)

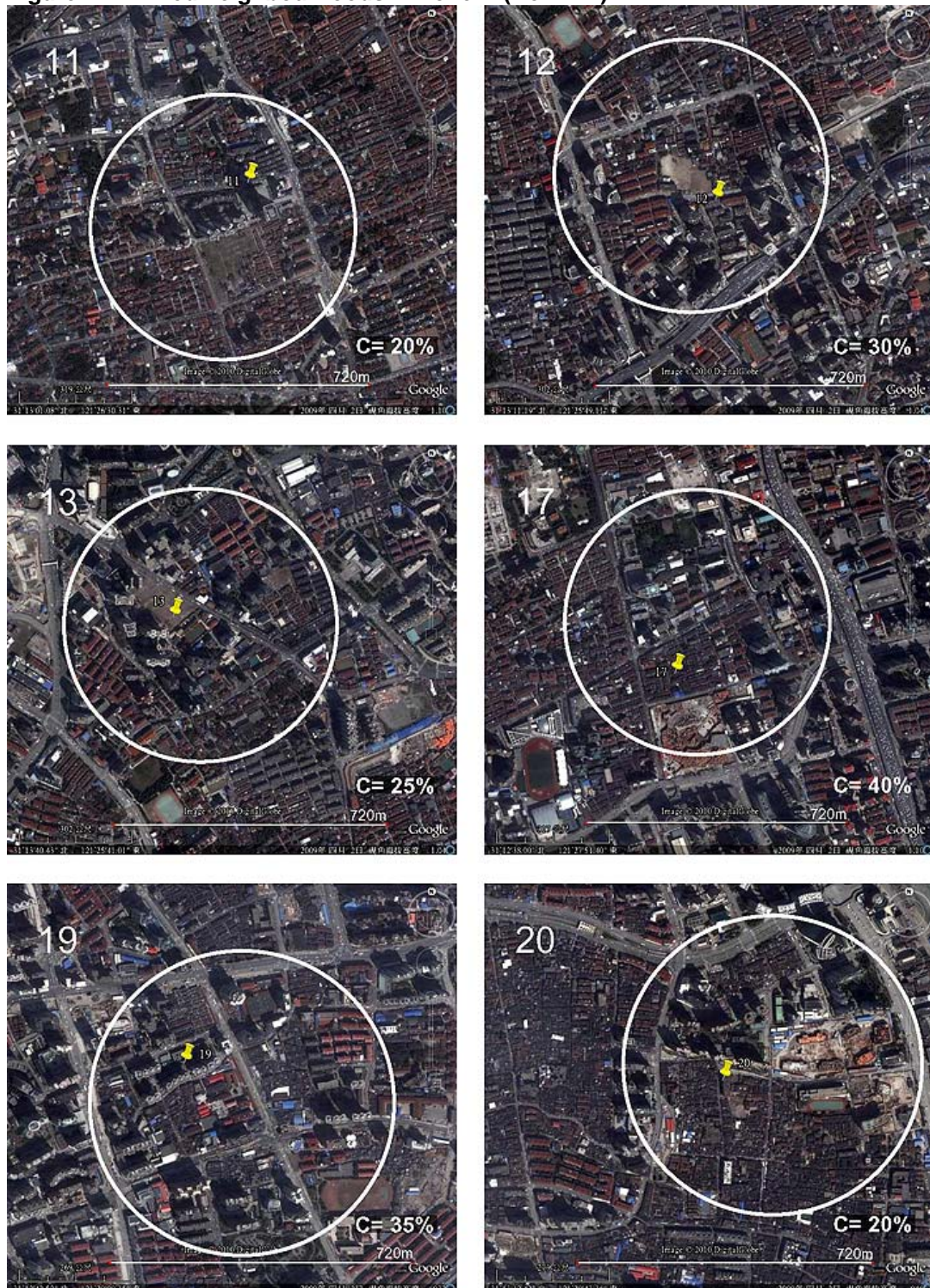


Figure A- 2 Mixed neighbourhoods in Zone-A (No. 13)



Figure A- 3 Mixed neighbourhoods in Zone-B (No. 7-11)

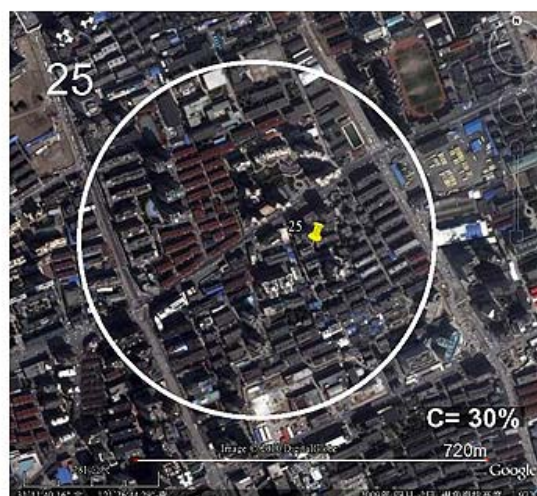


Figure A- 4 Mixed neighbourhoods in Zone-C (No. 7-9)



Appendix 3: Comparing survey data of XFKL with Li and Wu's (2006) survey

Comparing marital status and *hukou* registration in XFKL to 2002 survey

Li and Wu (2006a) had surveyed 10 per cent of residents in XFKL in 2002 in a study which compared three neighbourhoods in Shanghai. Table A-1 compares their results on residents' marital status and *hukou* registration to the results of the current study. We can see that the two sets of data are very similar. The vast majority of residents were married (73% in 2002 and 81% in 2007), and possessed a Shanghainese *hukou* (97% in 2002 and 92% in 2007). Based on this comparison, the samples of the two surveys appear to be similar.

Table A- 1 Comparison of marital status and *hukou* registration in XFKL to the 2002 survey by Li and Wu (2006a)

	2002 survey	2007 survey
Marital status (%)		
Single	6.9	5.7
Married	72.6	81.4
Divorced/widowed	20.5	12.9
<i>Hukou</i> registration*		
Shanghai	97.0	92.0
Other urban regions	1.0	8.0
Rural	2.0	0.0

* Categories of the surveys have been reorganised to make the 2 sets of data more comparable

Comparing education level and employment status in XFKL to 2002 survey

Table A-2 shows the comparison on respondents' education and employment status between the 2002 survey of XFKL (Li and Wu, 2006a) with the present survey. The surveys returned different results. In terms of education, the 2002 results were more evenly distributed across three of the four categories. The majority of residents have at least an university degree (41%), but there were also significant proportions of respondents with either a medium level education (31% with high school or technical college training), or a very low level education (27% with junior high school or below).

The results from the 2007 survey were more skewed towards the medium education attainment category, with the vast majority of respondents (68%) reported to have either a high school or technical college training. There was a significant reduction in the respondents with really low education (e.g. only about 5% from junior high school or below). In addition, the proportion of highly educated residents with university or post-graduate training fell from 41 per cent to only 20 per cent.

Table A- 2 Changes in education level & employment status in XFKL since 2002

	2002 survey	2007 survey*
Education (%)		
Primary school and below	2.9	4.5
Junior high school	24.5	6.8
High school & Technical college	31.4	68.3
University and above	41.2	20.4
Employment status** (%)		
Employed	35.5	34.1
Not working	64.7	65.9

* The education categories of the 2007 survey has been reorganised to make it more comparable with the 2002 survey

** The employment status of the 2007 survey has been regrouped to make it more comparable with the 2002 survey.

There could be a number of explanations for the significant differences. The first is due to sampling. The second is that the respondents with low education in 2002 could have died since 2002 (since many were old), or that the respondents with high education attainment could have, since then, relocated to better residential estates due to their better incomes.

In terms of employment status, the two sets of data are comparable. 36 per cent of the sample was employed in 2002, compared to 34 per cent in 2007. From this, we can argue that the changes in education level are not likely to have come from sampling differences, but that real changes in the socioeconomic status of residents have indeed occurred since 2002.

Appendix 4: Residents' relationships with resident committees

Table A- 3 Do you know the secretary of your resident committee?

Estate	New luxury		New mid-price	Old traditional	
	CC	ILC	XFKL	HFXQ	ZHXC
Do you know the secretary of your resident committee? (%)					
Yes	2.3	56.2	71.9	68.8	94.4
No	97.7	43.8	28.1	31.2	5.6

Table A- 4 Do you know where your resident committee is located?

Estate	New luxury		New mid-price	Old traditional	
	CC	ILC	XFKL	HFXQ	ZHXC
Do you know where your resident committee is located? (%)					
Yes	25.6	68.1	94.4	92.8	100.0
No	74.4	31.9	5.6	7.2	0.0

Table A- 5 How often do you get in touch with your resident committee every month?

Estate	New luxury		New mid-price	Old traditional	
	CC	ILC	XFKL	HFXQ	ZHXC
How often do you get in touch with your resident committee every month? (%)					
None	97.7	50.7	41.2	41.5	5.6
Once or twice	2.3	19.7	40.0	42.1	61.1
3 to 9 times	0.0	16.9	10.6	13.2	22.2
More than 10 times	0.0	12.7	8.2	3.1	11.1

Table A- 6 Have you or your family ever attended activities organised by your resident committee?

Estate	New luxury		New mid-price	Old traditional	
	CC	ILC	XFKL	HFXQ	ZHXC
Have you or your family ever attended activities organised by your resident committee? (%)					
Yes many times	0.0	23.3	41.9	18.9	45.0
Yes but only rarely	0.0	30.1	40.7	55.5	50.0
Never	100.0	46.6	17.4	25.6	5.0

Appendix 5: Sample questionnaire (Chinese version)

性别: 男 (); 女 ()	年龄: ()	户主婚姻状况: 1. 已婚 () 2. 离异, 丧偶 () 3. 未婚 ()
------------------	---------	---

一, 基本情况

- 1) 您的家在这小区住了多久了? () 年
 - 2) 您是固定住在这里吗? 是 (); 不 (); 如不, 一年住多长时间? () 个月
 - 3) 搬来本小区之前, 您家住在哪里? 1. 一直住这小区 (); 2. 在上海别处 (请写明: _____ 区); 3. 其它省、市、自治区 (请写明: _____); 4. 香港, 澳门, 台湾 (请写明: _____); 5. 其它国家 (请写明: _____)
 - 4) 您的户口在: 1. 在本住址 (); 2. 在上海其它地方 (); 3. 在外地 (); 4. 港澳台 (); 5. 国外 ()
 - 5) 家庭结构: 1. 单身独住 (); 2. 单身与父母同住 (); 3. 夫妻/伴侣同住 (); 4. 夫妻与父母同住 (); 5. 夫妻与小孩同住 (); 6. 夫妻、小孩、父母同住 (); 7. 其它 ()
 - 6) 户主的教育程度: 1. 小学及以下 (); 2. 初中 (); 3. 高中 (包括中专, 职技校) (); 4. 大专 (); 5. 本科 (); 6. 本科以上 ()
 - 7) 户主的职业状况: 1. 在职 (); 2. 待岗 (含失业, 下岗) (); 3. 离, 退休 (); 4. 其它 ()
- 若户长在职, 请回答框内 7.1 至 7.3 小题。若否, 请跳至第 9 题:**

- | |
|---|
| 7.1) 户主的职业: 1. 国家公务员 (); 2. 事业 (); 3. 企业白领 (); 4. 普通员工 (); 5. 其它 () |
| 7.2) 户主的单位: 1. 政府机构 (); 2. 国营企事业单位 (); 3. 民营或个体企业 (); 4. 外资企业 (); 5. 中外合资企业 (); 6. 属于自己/自家 () |
| 7.3) 户主在所属的企事业单位是担任: 1. 负责人或主要领导 (); 2. 中层领导 (); 3. 技术或管理人员 (); 4. 普通职工 () |

- 8) 本户中有几人在职? (请注明: _____ 名)
- 9) 本户的居住人口总计月收入大约是: 1. < ¥1,600 (); 2. ¥1,600 - ¥2,999 (); 3. ¥3,000 - ¥5,999 (); 4. ¥6,000 - ¥14,999 (); 5. ¥15,000 - ¥29,999 (); 6. > ¥30,000 ()
- 10) 自我评估家庭经济状况: 1. 富裕 (); 2. 较好 (); 3. 一般化 (); 4. 有点困难 (); 5. 很困难 ()
- 11) 有私人汽车吗? 1. 有 (); 2. 没有 (); 3. 没有但计划要买 ()
- 12) 您外出的主要交通方式(请选二): 1. 走路 (); 2. 公交/地铁 (); 3. 自行车 (); 4. 私用车 (); 5. 出租车 (); 6. 摩托车或助动车 (); 7. 其它 ()

二, 房屋权况

- 1) 在本小区住房的权属: 1. 老私房 (); 2. 房改购房 (); 3. 购买商品房 (); 4. 动迁安置房 (); 5. 市场租赁房 (); 6. 单位租赁房 (); 7. 政府租赁房 ()
- 2) 如为购房, 请问当时买价: (¥ _____ 元/平米), 哪一年 (_____ 年)
- 3) 如为租房, 请问目前租金: 每月 (¥ _____ 元)
- 4) 购房时或目前租房有政府补贴吗? 1. 有 (); 2. 无 ()
- 5) 您家在上海总共有几套产权房? (_____) 套
- 6) 近期有购置商品房的打算吗? 1. 有 (); 2. 没有 ()

若有, 请回答下面框内 6.1 至 6.3 小题。若没有, 请跳到第 7 题:

- | |
|--|
| 6.1) 您可接受的商品房的价位是多少? 1. <5,000 元/平米 (); 2. 5,000-9,999 元/平米 (); 3. 10,000-14,999 元/平米 (); 4. 15,000-19,999 元/平米 (); 5. 20,000-29,999 元/平米 (); 6. >30,000 元/平米 () |
| 6.2) 您希望的商品房面积? (_____) 平米 |
| 6.3) 如欲购置, 到时将以何种方式购买? 1. 完全以积蓄购买 (); 2. 按揭购买 (); 3. 向朋友家人借钱购买 (); 4. 到时再看 (); 5. 其他 () |

- 7) 若没有购房打算, 原因是? 1. 已购 (); 2. 现在住房不错, 无需要 (); 3. 买不起 (); 4. 其它 ()
8) 您觉得目前这附近的房价? 1. 太高了 (); 2. 偏高 (); 3. 较合理 ()

三, 在本小区的居住情况

- 1) 为何住在本小区? 1. 自主选择本小区 (); 2. 非自主选择 ()

若自主选择住在本小区, 主要原因是(请选一个):

1. 离工作单位近 (); 2. 离朋友/家人近 (); 3. 小区周边配套设施好 (); 4. 子女上学便利 (); 5. 小区环境好 (); 6. 房屋设计/品质好 (); 7. 小区治安好 (); 8. 其他 ()

- 2) 房屋户型(居室): 1. 一房 (); 2. 二房 (); 3. 三房 (); 4. 四房 (); 5. 五房以上 ()

- 3) 房屋建筑面积: ()平方米

- 4) 本户实际居住人数: ()人

- 5) 自家内独用的设备(有的请打勾):

1. 浴室 (); 2. 卫生间 (); 3. 厨房 (); 4. 空调 (); 5. 电话 (); 6. 宽带 (); 7. 煤气 (); 8. 水 (); 9. 电 (); 10. 客厅 ()

- 6) 对您的住房条件满意度: 1. 很满意 (); 2. 满意 (); 3. 一般 (); 4. 不满意 (); 5. 很不满意 ()

- 7) 对日照满意度: 1. 很满意 (); 2. 满意 (); 3. 一般 (); 4. 不太满意 (); 5. 不满意 ()

若对日照不满意或不太满意, 原因是什么(可多项选择)? 1. 原有高层建筑阻挡 (); 2. 新建高层建筑阻挡 (); 3. 楼距太小 (); 4. 房屋朝向问题 (); 5. 窗小或窗少 (); 6. 其他 ()

- 8) 在冬天您家光线最好的房间每天日照大约 () 小时。

- 9) 对住房通风满意度: 1. 很满意 (); 2. 满意 (); 3. 一般 (); 4. 不太满意 (); 5. 不满意 ()

- 10) 对住房房型满意度: 1. 很满意 (); 2. 满意 (); 3. 一般 (); 4. 不太满意 (); 5. 不满意 ()

- 11) 对住房建筑面积满意度: 1. 很满意 (); 2. 满意 (); 3. 一般 (); 4. 不太满意 (); 5. 不满意 ()

- 12) 对住房建筑外观满意度: 1. 很满意 (); 2. 满意 (); 3. 一般 (); 4. 不太满意 (); 5. 不满意 ()

- 13) 您认为您家的住房水平在上海是属于: 1. 很好 (); 2. 较好 (); 3. 中等 (); 4. 较差 (); 5. 很差 ()

- 14) 社区安全状况: 1. 很安全 (); 2. 较安全 (); 3. 一般 (); 4. 较不安全 (); 5. 很不安全 ()

若选较不安全或很不安全, 您认为是什么原因造成的?(可多项选择)

1. 警方管理不足 (); 2. 非居民进出过多 (); 3. 物业管理不力 (); 4. 小区居民太杂 (); 5. 小区公共空间使用率太低 (); 6. 其他 ()

- 15) 您认为自 1990 年以来, 您的住房条件? 1. 变好很多 (); 2. 变好一些 (); 3. 没改变 (); 4. 变坏一些 (); 5. 变坏很多 ()

四, 小区环境与设施情况

- 1) 您家常使用自己小区内什么设施?(有使用的请打勾, 可多项选择。若没有用, 请跳到下一题。) 1. 停车设施 (); 2. 活动室 (); 3. 幼儿设施 (); 4. 运动设施 (); 5. 室外活动场地 (); 6. 绿化空间 (); 7. 健身房 (); 8. 商店 (); 9. 俱乐部 (); 10. 游泳池 (); 11. 其它 ()

- 2) 商业网点配置到不到位? 1. 到位 (); 2. 不够到位 (); 3. 不到位 ()

- 3) 小区内停车配置到不到位? 1. 到位 (); 2. 不够到位 (); 3. 不到位 ()

- 4) 您认为在您的小区内, 下列各项的情况如何?

序号	项目	1. 无此项	2. 很好	3. 较好	4. 一般	5. 较差	6. 很差
A	楼房外观						
B	小区空间布局						
C	广场或室外活动场地						

D	运动设施						
E	绿化景观						
F	小区内宁静程度						
G	小区卫生						
H	对外人进出 小区管理						

- 5) 您认为小区内还需要完善什么样的设施? (可多项选择) 1. 不需要 (); 2. 停车设施 (); 3. 活动室 (); 4. 幼儿设施 (); 5. 运动设施 (); 6. 室外活动场地 (); 7. 绿化空间 (); 8. 健身房 (); 9. 俱乐部 (); 10. 其它 ()
- 6) 您认为优化小区环境, 最主要靠什么? (可多项选择) 1. 政府投入 (); 2. 业委会投资 (); 3. 加强管理 (); 4. 居民自觉 (); 5. 其它 ()

五、邻里关系和交往情况

- 1) 您认为您家的邻居是指(请选一个)? 1. 隔壁家或同一层楼面的住户 (); 2. 同一幢楼的住户 (); 3. 周边几幢楼的住户 (); 4. 同一批开发的楼盘中的住户 (); 5. 同一个居委会的住户 ()
- 2) 您平时较有来往的邻居含盖了多大范围? 1. 只有和隔壁家或同一层楼面的住户 (); 2. 同一幢楼里的住户 (); 3. 周边几幢楼的住户 (); 4. 同一批开发的楼盘中的住户 (); 5. 同一个居委会的住户 ()
- 3) 您是否知道周围邻居家的姓名、工作单位以及他们的喜好/嗜好? 1. 全知道 (); 2. 大部分都知道 (); 3. 知道一点 (); 4. 完全不知道 ()
- 4) 您与邻居的来往? 1. 天天有 (); 2. 一星期几次 (); 3. 一个月几次 (); 4. 极少有 (); 5. 没有 ()
- 5) 若有来往, 是一些什么样的来往? (可多项选择) 1. 见面打招呼 (); 2. 谈天 (); 3. 互借东西 (); 4. 商量共同关心的事 (); 5. 兴趣活动 (); 6. 其它 ()
- 6) 在您的小区中, 您有多少熟悉的人? (不包括亲戚) 1. 没有熟悉的人 (); 2. 10 个以内 (); 3. 10-29 个 (); 4. 30-99 个 (); 5. 100 个以上 ()
- 7) 您对邻里交往的态度: 1. 很有必要 (); 2. 可以适度交往 (); 3. 无所谓 (); 4. 没有必要 ()
- 8) 邻里纠纷情况: 1. 基本没有 (); 2. 偶尔有 (); 3. 有时有 (); 4. 经常有 ()

若有, 纠纷原因是(可多项选择): 1. 公用厨房 (); 2. 公用浴室 (); 3. 公用卫生间 (); 4. 噪音 (); 5. 占用公共空间 (); 6. 乱丢垃圾 (); 7. 宠物管理不当 (); 8. 停车不当 (); 9. 其他 ()

- 9) 您愿意参加社区各项活动吗? 1. 活动有意义, 我愿意参加 (); 2. 愿意参加, 但没有时间 (); 3. 社区活动与自己的事情不冲突时, 愿意参加 (); 4. 社区活动是组织要求, 非得参加 (); 5. 社区活动与我关系不大, 是否参加无所谓 (); 6. 社区活动是一种额外的负担, 非不得已不愿参加 ()
- 10) 小区居民日常行为评价: 1. 文明 (); 2. 较文明 (); 3. 一般 (); 4. 不太文明 (); 5. 不文明 ()
- 11) 家中如遇到困难, 会先找谁帮忙? (请在适当的选项空格内填入 1, 2, 和 3 来代表第一, 第二和第三顺位人选, 只需选 3 个)

1. 邻居	2. 朋友	3. 家人	4. 工作单位
5. 居委会	6. 谁也不找, 自己解决	7. 物业	8. 派出所, 警方

- 12) 当您家人一起外出(旅游等)时, 您有向邻居打招呼的习惯吗? 1. 有 (); 2. 没有 ()
- 13) 最近 6 各月内, 您和家人是否帮助过邻居解决过困难? 1. 是 (); 2. 否 ()

14) 最近 6 各月内，您和家人是否得到过邻居的帮助？ 1. 是 () ; 2. 否 ()

六，居委会与物业公司

1. 您认识所属居委会的主任、副主任吗？ 1. 认识 () ; 2. 不认识 ()
2. 您知道您的居委会的办公室在哪里吗？ 1. 知道 () ; 2. 不知道 ()
3. 一个月里大约会接触居委会几次？ 1. 0 次 () ; 2. 一，二次 () ; 3. 三到十次 () ; 4. >十次 ()
4. 您和您家人是否参加过居委会召集的各种活动？ 1. 经常参加 () ; 2. 偶尔参加 () ; 3. 从未参加 ()
5. 对您的物业管理的评价是： 1. 管理良好 () ; 2. 管理一般 () ; 3. 管理差 ()
6. 目前物业管理的问题是？（可多项选择） 1. 没问题 () ; 2. 物业维修不及时 () ; 3. 小区卫生状况差 () ; 4. 绿地维护不好 () ; 5. 治安状况差 () ; 6. 管理不规范 () ; 7. 其它 ()
7. 您家每月需支付的管理费是： 1. 交租，不用付 () ; 2. 付()元。
8. 您认为支付的物业管理费合理吗？ 1. 合理 () ; 2. 一般 () ; 3. 不合理 ()

若不合理，原因是(可多项选择)： 1. 收费不公平，同一小区内付不同的费用() ; 2. 收费过高 () ; 3. 收费过低 () ; 4. 其他 ()
其他 ()

9. 请您对下面所列有关居住小区的生活服务项目等做出评价：

项目	1. 不知道	2. 很满意	3. 满意	4. 一般	5. 不满意	6. 很不满意
9.1 为老服务						
9.2 便民服务						
9.3 民事调解						

10. 您所在小区有业主委员会吗？ 1. 有 () ; 2. 没有 () ; 3. 不知道 ()

若有，请回答下面框内问题 11-13。若没有，请跳到第七大题：

11. 您认识业主委员会的委员吗？ 1. 不认识 () ; 2. 全都认识 () ; 3. 认识几个 ()
12. 您参加过业主大会吗？ 1. 参加过 () ; 2. 没有 ()
13. 有了业主委员会后，小区管理变得更符合居民的需求吗？ 1. 是 () ; 2. 不确定 () ; 3. 不是 ()

七，和周围小区的关系



请看左图中您周围的小区：

1. 沁园村小区
2. 太和小区
3. 新福康里
4. 国际丽都城
5. 远中城宝

然后回答下列问题。

1. 请在适当的空格内打勾：

小区名称	1.1 您使用以下小区配置的商店的频率(包括沿道路的商店)			1.2 您使用以下小区配置的公共设施的频率(如运动设施, 停车设施等)			1.3 您和下列小区内居民来往的频率		
	经常	偶尔	很少	经常	偶尔	很少	经常	偶尔	很少
1. 沁园村									
2. 太和小区									
3. 新福康里									
4. 国际丽都城									
5. 远中城宝									

2. 如有可能, 是否愿意与这些小区的居民共同搞一些活动? 1. 愿意 (); 2. 不愿意 (); 3. 不知道 ()

八, 教育

1. 请您对街道范围内的幼托、小学、中学的质量作一总体评价:

项目	1. 不知道	2. 很好	3. 较好	4. 一般	5. 较差	6. 很差
幼托						
小学						
初中						
高中						

2. 您认为无论是现在, 还是将来, 文化程度对就业很重要吗? 1. 非常重要(); 2. 重要 (); 3. 一般(); 4. 不怎么重要 (); 5. 不重要 ()

3. 请问您家有就学年龄的小孩吗? 1. 有(); 2. 没有()

若有, 请回答下面框内 4,5 题。若无, 请跳到第八大题:

4. 您的孩子在: 1. 区内的幼托、小学、中学就读 (); 2. 区外的幼托、小学、中学就读 (); 3. 国际学校就读 (); 4. 国内大学就读 (); 5. 国外深造 (); 6. 其它 ()

5 您希望您的孩子达到什么样的文化程度? 1. 高中 (); 2. 大专 (); 3. 本科 (); 4. 研究生 ()

九, 日常生活与休闲

- 您外出小区的频率? 1. 每天 (); 2. 一星期多于 4 次 (); 3. 一星期少于 4 次 (); 4. 几乎不出去 ()
- 主要外出小区的原因 (可多项选择)? 1. 工作/上课 (); 2. 买菜, 日用品 (); 3. 买非日用品 (衣服, 家电等) (); 4. 拜访朋友, 家人 (); 5. 娱乐, 消遣 (); 6. 看病 (); 7. 其它 ()
- 您家主要用的菜场是 (请选一)? 1. 邻近菜场 (); 2. 邻近小型超市 (如联华等) (); 3. 大型超市 (如家乐福等) ()
- 买菜习惯: 1. 天天买 (); 2. 一星期一次 (); 3. 一星期数次 ()
- 平时空闲时间的主要活动范围(请选一)? 1. 自家内 (); 2. 小区内公共空间 (); 3. 小区范围外 ()
- 您在空闲时间主要干什么(请选二)? 1. 自己打发时间 (); 2. 参与小区内办的活动 (); 3. 和邻居聊天, 打牌, 下棋等 (); 4. 和自己的家人, 亲朋好友打发 (); 5. 其它 ()
- 在最近的国庆节, 春节及五一节等长假里, 您与您的家人一起去外地旅游过吗? 1. 有 () 次; 2. 没有 ()

十, 对小区的态度和小区规划设计的看法

1) 对小区的自豪感: 1. 很自豪 (); 2. 有点自豪 (); 3. 没什么感觉 (); 4. 感觉有点难过 ()

- 2) 您和家人是否想在本小区长期居住下去? 1. 想长期居住 (); 2. 无奈只得住下去 (); 3. 不想 ()
- 3) 您在意非小区居民进入您的小区吗? 1. 非常在意 (); 2. 在意 (); 3. 无所谓 (); 4. 不在意 (); 5. 欢迎非小区居民进入 ()
- 4) 您赞成小区使用封闭管理方式吗? 1. 非常赞成 (); 2. 赞成 (); 3. 无所谓 (); 4. 不赞成 (); 5. 非常不赞成 ()
- 5) 如果能有新房子, 您希望它的设计是: 1. 无所谓, 只要实用就好 (); 2. 高标准型 (); 3. 欧美风格型 (); 4. 地方风格型 (); 5. 其它 ()
- 6) 您怀念住在旧里或老公房时的邻里关系吗? 1. 不知道没住过石库门或老公房 (); 2. 目前还住在旧里 (); 3. 会 (); 4. 不会 ()
- 7) 您喜欢小区空间布局让邻居: 1. 有较多机会碰面 (); 2. 分开较好 (); 3. 无所谓 (); 4. 不知道 ()
- 8) 在一个小区内, 您比较希望住户类型是 (如收入, 职业, 文化程度等): 1. 同一层次的 (); 2. 多种层次的 (); 3. 无所谓 (); 4. 不知道 ()
- 9) 周边小区的档次不同, 您的看法是(请选一): 1. 感觉不好 (); 2. 与我无关, 因为在我的小区之外 (); 3. 无可奈何, 应为是城市发展的必然之路 (); 4. 其它 ()
- 10) 您觉得本小区和周边小区的关系: 1. 很和谐 (); 2. 和谐 (); 3. 一般 (); 4. 较不和谐 (); 5. 很不和谐 ()

.....完.....

附加：住在旧小区的居民请回答 [其它居民不用回答]

1. 您自己是否有对您的住家改造过? 1. 有 (); 2. 没有 ()
若有, 请选改过的部分: (可选多项) 1. 加隔间 (); 2. 加阁楼 (); 3. 加卫生间 (); 4. 加厨房 (); 5. 加储藏 (); 6. 其它 ()
2. 您希望小区被改造吗? 1. 希望 (); 2. 不希望 ()
若不希望, 原因是: 1. 没精力 (); 2. 现状不错 (); 3. 怕改造后搬到城外 (); 4. 其它 ()
3. 假如将来小区改建, 会希望回搬吗? 1. 会 (); 2. 不会 (); 3. 说不准 ()
4. 新福康里小区和国际丽都城改造过后您进去过吗? 1. 有 (); 2. 没有 ()
若没有, 原因是: 1. 没有理由去 (); 2. 不敢去 (); 3. 其它 ()
5. 新福康里小区和国际丽都城改造过后, 现在您与这些居民的往来或互动, 相比改造前有什么变化? 1. 变多了 (); 2. 差不多 (); 3. 变少了 (); 4. 不知道 ()
6. 若有改变, 您觉得这种改变是: 1. 好 (); 2. 坏 (); 3. 没意见 (); 4. 其它 ()
7. 请您回想在 1997 年左右(新福康里和国际丽都城改造之前), 下面 5 个地块的情况, 然后回答下列问题。



1997 年时 5 个地块分别是：

1. 现沁园村和申发大厦地块
2. 现太和小区地块
3. 现新福康里地块
4. 现国际丽都城地块
5. 原鸿庆里地块

请在适当的空格内打勾：

小区名称	7.1) 1997 时您使用以下小区配置的商店的频率(包括沿道路的商店)			7.2) 1997 时您使用以下小区配置的公共设施的频率(如运动设施, 停车设施等)			7.3) 1997 时您和下列小区内居民来往的频率		
	经常	偶尔	很少	经常	偶尔	很少	经常	偶尔	很少
1. 沁园村									
2. 太和小区									
3. 新福康里									
4. 国际丽都城									
5. 原鸿庆里									

8. 小区内住了很多外来人口吗? 1 很多 (); 2. 有一些 (); 3. 没几个 (); 4. 没有 ()
9. 觉得被周边新建商品房的住户看不起吗? 1. 有, 很强烈 (); 2. 有一点 (); 3. 没有 ()
10. 请问您愿意与课题小组谈谈这个小区周围改建之前的状况吗? 愿意 () / 不愿意 ()
如愿意, 请留下联系电话: ()

附加: 回搬的居民请回答 [其它居民不用回答]

1. 如本小区改造过, 现在您与小区居民之间的往来或互动频率比改造前: 1. 多很多 (); 2. 多一点 (); 3. 差不多 (); 4. 少一点 (); 5. 少很多 (); 6. 不知道 ()

1.1 如有变少, 原因是(可选多项):

1. 设施都分开了, 不容易碰到邻居 (); 2. 居民的层次差异变大了, 不容易交朋友 (); 3. 新的居民流动速度太快, 干脆不来往 (); 4. 其它 ()

1.2 这种改变您觉得是: 1. 好 (); 2. 不好 (); 3. 无所谓 ()

2. 如果您周边的小区改造过(如新福康里或国际丽都城), 改造过后您进去过吗? 1. 有 (); 2. 没有 ()

若没有, 原因是: 1. 没有理由去 (); 2. 不敢去 (); 3. 其它 ()

3. 请您回想在 1997 年左右(新福康里和国际丽都城改造之前), 下面 5 个地块的情况, 然后回答下列问题。



1997 年时 5 个地块分别是:

1. 现沁园村和申发大厦地块
2. 现太和小区地块
3. 现新福康里地块
4. 现国际丽都城地块
5. 原鸿庆里地块

请在适当的空格内打勾:

小区名称	3.1) 1997 时您使用以下小区配置的商店的频率(包括沿道路的商店)			3.2) 1997 时您使用以下小区配置的公共设施的频率(如运动设施, 停车设施等)			3.3) 1997 时您和下列小区内居民来往的频率		
	经常	偶尔	很少	经常	偶尔	很少	经常	偶尔	很少
1. 沁园村									
2. 太和小区									
3. 新福康里									
4. 国际丽都城									
5. 原鸿庆里									

4. 您觉得被小区内购买商品房的住户看不起吗? 1. 有, 很强烈 (); 2. 有一点 (); 3. 没有 ()

5. 请问您愿意与课题小组谈谈这个小区本身改建之前和之中的状况吗? 愿意 () / 不愿意 ()

如愿意, 请留下联系电话: ()

感谢您的配合

Appendix 6: Sample questionnaire (English version)

Sex: M () ; F ()	Age: ()	Marital status: 1. Married () 2. Divorced/widowed () 3. Single ()
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1. Basic information

- 1) How long have you lived in this neighbourhood? () yr(s)
- 2) Do you live here permanently? Yes () ; No () ; If no, how long in a year? () month(s)
- 3) Where did you live before here? 1. Always lived in this neighbourhood () ; 2. Other location in Shanghai (which district?) ; 3. Other provinces in PRC (specify:) ; 4. Hong Kong, Taiwan, Macao (specify:) ; 5. Other countries (specify:)
- 4) Where is your household registration at: 1. This address () ; 2. Other location in Shanghai () ; 3. In other provinces of PRC () ; 4. Hong Kong, Taiwan, Macao () ; 5. Other countries ()
- 5) Family structure: 1. Living alone () ; 2. Alone with parents () ; 3. Living with partner () ; 4. Couple with parents () ; 5. Couple with children () ; 6. Couple with parents and children () ; 7. Other ()
- 6) Education level of the head of household: 1. Below primary () ; 2. Junior high school () ; 3. High school () ; 4. Technical college () ; 5. University () ; 6. Graduate school and above ()
- 7) Employment status of the head of household: 1. Employed () ; 2. Unemployed () ; 3. Retired () ; 4. Other ()

Please answer Q 7.1 to 7.3 if the head of household is employed. Otherwise jump to question 8:

- | |
|---|
| <p>7.1) Profession of head of household : 1. Governmental staff () ; 2. State-owned enterprise employee () ; 3. White collar () ; 4. Blue collar/normal staff; 5. Others ()</p> <p>7.2) Employer of head of household : 1. Chinese government () ; 2. Chinese state-owned enterprise () ; 3. Private Chinese enterprise () ; 4. Foreign enterprise () ; 5. Sino-foreign joint venture () ; 6. Self employed ()</p> <p>7.3) Position of head of household at work : 1. Director or high ranking officer () ; 2. Mid-level manager () ; 3. Low-level manager of technical staff () ; 4. Normal staff ()</p> |
|---|

- 8) Number of residents in this address currently employed? (specify:)
- 9) Total monthly income of your household is roughly: 1. < ¥1,600 () ; 2. ¥ 1,600 – ¥2,999 () ; 3. ¥ 3,000 - ¥ 5,999 () ; 4. ¥ 6,000 - ¥14,999 () ; 5. ¥ 15,000 - ¥29,999 () ; 6. > ¥30,000 ()
- 10) Self assessment of household financial situation: 1. Wealthy () ; 2. Above average () ; 3. Average () ; 4. Below average () ; 5. In hardship ()
- 11) Do you have a private car? 1. Yes () ; 2. No () ; 3. No, but planning to buy one ()
- 12) Your main modes of transport (select 2): 1. By foot () ; 2. Public transport [Buses & metro] () ; 3. Bicycle () ; 4. Private/Company car () ; 5. Taxi () ; 6. Motor cycle () ; 7. Other ()

2. Condition of property ownership

- 1) The type of ownership of your property in this neighbourhood is: 1. Old private house () ; 2. Bought ex-government-owned house () ; 3. Commodity housing bought on the market () ; 4. Relocation house () ; 5. Rental property from the market () ; 6. Rental property from the work-unit () ; 7. Rental property from the government ()
- 2) If you purchased this house, what was the price of purchase: (¥ yuan/m²), which year (yr)
- 3) If you are renting, what is your current rent: (¥ yuan/month)

- 4) Did/do you receive government assistance for your purchase or rental? 1. Yes (); 2. No ()
 5) How many house or apartment units do you own in Shanghai? () units
 6) Are you currently planning to purchase a house? 1. Yes (); 2. No ()

If yes, please answer Q6.1-6.3. If not please jump to Q7.

- 6.1) Which price range can you afford to purchase? 1. <5,000 yuan/m² (); 2. 5,000-9,999 yuan/m² (); 3. 10,000-14,999 yuan/m² (); 4. 15,000-19,999 yuan/m² (); 5. 20,000-29,999 yuan/m² (); 6. >30,000 yuan/m² ()
 6.3) Size of unit you can afford? ()m²
 6.3) How will you make the purchase? 1. Entirely from personal savings (); 2. Get a mortgage (); 3. Borrow from family and/or friends (); 4. Won't know until then (); 5. Other ()

- 7) If you do not want to purchase a house, what is the reason? 1. Already purchased (); 2. No need as current house is sufficient (); 3. Cannot afford one (); 4. Other ()
 8) You think the current house price of this area is ? 1. Way too high (); 2. Slightly high (); 3. About right ()

3. Conditions of living

- 1) Why do you live in this location? 1. By own choice (); 2. Had no choice ()

If you live here by own choice, the main reason is (select 1) :

1. Close to work (); 2. Close to friends/family (); 3. Great facilities around this location (); 4. Convenient for children to attend school (); 5. Good neighbourhood environment (); 6. Good design and quality of house (); 7. Safety of neighbourhood (); 8. Other ()

- 2) Number of bedrooms in your unit: 1. 1-Bed (); 2. 2-Bed (); 3. 3-Bed (); 4. 4-Bed (); 5. 5-Bed or more ()
 3) Size of your unit: ()m²
 4) Actual number of people living in your unit: ()people
 5) What facilities do you have in your house (Please tick all the ones that you have privately) :
 1. Bathroom (); 2. Toilet (); 3. Kitchen (); 4. Air conditioner (); 5. Telephone (); 6. Broadband internet (); 7. Gas (); 8. Water (); 9. Electricity (); 10. Living room ()
 6) Satisfaction with the current living condition: 1. Very satisfied (); 2. Satisfied (); 3. Average (); 4. Slightly dissatisfied (); 5. Very dissatisfied ()
 7) Satisfaction with sun-light penetration of your residential unit: 1. Very satisfied (); 2. Satisfied (); 3. Average (); 4. Slightly dissatisfied (); 5. Very dissatisfied ()

If dissatisfied with sun-light penetration, what is the reason (can choose multiple)? 1. Blocked by existing high-rises (); 2. Blocked by newly built high-rises (); 3. Narrow spacing between buildings (); 4. Orientation of building (); 5. Windows too small or too few (); 6. Others ()

- 8) In the winter, how many hours in a day does your best room receive sunlight? () hr(s).
 9) Satisfaction with accommodation's ventilation: 1. Very satisfied (); 2. Satisfied (); 3. Average (); 4. Slightly dissatisfied (); 5. Very dissatisfied ()
 10) Satisfaction with accommodation's layout: 1. Very satisfied (); 2. Satisfied (); 3. Average (); 4. Slightly dissatisfied (); 5. Very dissatisfied ()
 11) Satisfaction with accommodation's floor space: 1. Very satisfied (); 2. Satisfied (); 3. Average (); 4. Slightly dissatisfied (); 5. Very dissatisfied ()
 12) Satisfaction with your building's external appearance: 1. Very satisfied (); 2. Satisfied (); 3. Average (); 4. Slightly dissatisfied (); 5. Very dissatisfied ()
 13) How do you rate your standard of living compared to other people in Shanghai? 1. Very good (); 2. Good (); 3. Average (); 4. Below average (); 5. Very bad ()

- 14) How safe do you feel in your housing complex: 1. Very safe (); 2. Safe (); 3. Average (); 4. Slightly unsafe (); 5. Very unsafe ()

If you feel slightly unsafe or very unsafe, what is the reason? (Can choose multiple)
 1. Lacking policing (); 2. Too many entries & exits by non-residents (); 3. Lacking management by the facilities management company (); 4. Residents in the complex is too mixed (); 5. Lacking of human presence in the estate's public areas (); 6. Others ()

- 15) How do you think your living condition has changed since the 1990s)? 1. Greatly improved (); 2. Improved a bit (); 3. No changes (); 4. Slightly worsened (); 5. Greatly worsened (); 6. Was not living in Shanghai in the 1990s so cannot compare ()

4. Environment & facilities of the housing estate

- 1) Which facilities in your estate do you use frequently? (Please tick all the ones you use. Jump to next question if you do not use any of them) 1. Car-parking facilities (); 2. Activity rooms (); 3. Children's facilities (); 4. Exercise facilities (); 5. Outdoor activity spaces (); 6. Green open spaces (); 7. Gym (); 8. Shops (); 9. Club house (); 10. Swimming pool (); 11. Others()
- 2) Do you have adequate shops in and around your estate? 1. Adequate (); 2. Not adequate enough (); 3. Not adequate ()
- 3) Do you have adequate car-parking spaces in your estate? 1. Adequate (); 2. Not adequate enough (); 3. Not adequate ()
- 4) How do you rate the following aspects of your estate? (Please tick in the appropriate boxes)

List	Items	1. No such facility	2. Very good	3. Quite good	4. Average	5. Below average	6. Very poor
A	Appearance of buildings						
B	Layout of estate						
C	Courtyard or exterior activity spaces						
D	Exercise facilities						
E	Lawns and vegetation						
F	Quietness of estate						
G	Hygiene of estate						
H	Control of non-residents entering & exiting the estate						

- 5) What facilities do you think the estate needs to improve upon? (Can select multiple) 1. Nothing (); 2. Car-parking facilities (); 3. Activity rooms (); 4. Children's facilities (); 5. Exercise facilities (); 6. Outdoor activity spaces (); 7. Green open spaces (); 8. Gym (); 9. Club house (); 10. Others ()
- 6) What do you consider as the key to improve the environment of the estate? (Can select multiple) 1. Investment from the government (); 2. Investment by the Owners' Committee (); 3. Improvements by the (housing) facilities management company (); 4. Self-awareness from the residents themselves (); 5. Others ()

5. Relationships and interactions among neighbours

- 1) Who do you consider as your neighbours (Please select 1)? 1. People living next door

- and/or the people living on the same floor as you (); 2. People living in the same building as you (); 3. People living in the buildings adjacent to yours (); 4. People living in the same estate as yours (); 5. People belonging to the same resident committee ()
- 2) The neighbours who you interact most frequently are from? 1. Just with people living next door and the people living on the same floor as you (); 2. People living in the same building as you (); 3. People living in the buildings adjacent to yours (); 4. People living in the same estate as yours (); 5. People belonging to the same resident committee ()
- 3) How familiar are you of your neighbours' names, professions and hobbies? 1. Know all of them (); 2. Know most of them (); 3. Know a little bit about them (); 4. Have absolutely no clue ()
- 4) How frequent do you interact with your neighbours? 1. Every day (); 2. A few times a week (); 3. A few times a month (); 4. Rarely (); 5. Absolutely none ()
- 5) What sort of interaction do you have with your neighbours? (Can select multiple) 1. Greet them when I see them (); 2. Chat with them (); 3. Borrow things from each other (); 4. Discuss issues concerned by both parties (); 5. Attend same hobbies/activities (); 6. Others ()
- 6) How many people are you familiar with in your estate? (Not including your own relatives) 1. None (); 2. Within 10 people (); 3. Between 10 and 29 people (); 4. Between 30 and 99 people (); 5. 100 people or more ()
- 7) Your attitude towards neighbourhood interactions: 1. Absolutely necessary (); 2. Can have some interactions (); 3. I don't really care (); 4. Unnecessary ()
- 8) Conflicts among neighbours: 1. Basically none (); 2. Rarely (); 3. Sometimes (); 4. Frequently ()

If you have conflicts, what is the reason (Can select multiple) : 1. Shared kitchen (); 2. Shared bathroom (); 3. Shared toilet (); 4. Noise (); 5. Overtaken public spaces (); 6. Poor disposal of garbage (); 7. Mismanagement of personal pet(s) (); 8. Bad parking behaviour (); 9. Others ()

- 9) Will you take part in activities organised by your estate? 1. I will take part if the activity has a good purpose (); 2. I love to but have no time (); 3. I will take part if it does not clash with my own schedule (); 4. I see it as compulsory to take part (); 5. I do not really care (); 6. I see it as an extra burden, and will not take part unless it is absolutely necessary ()
- 10) How do you rate the daily behaviour of inhabitants in your estate: 1. Civilised (); 2. above average (); 3. Average (); 4. Below average (); 5. Uncivilised ()
- 11) If you encounter a problem, who will you approach for help? (Please write in the appropriate boxes numbers 1, 2, and 3 to represent the 1st 2nd and 3rd options in order of preference. You only need to choose 3 options)

1. Neighbours	2. Friends	3. Family	4. Your work
5. Resident committee	6. No one, I'll try to solve it by myself	7. Facilities management office	8. The police

- 12) When you and your family leave for holidays, do you have the habit of informing your neighbours? 1. Yes (); 2. No ()
- 13) Within the past 6 month, have you and your family helped your neighbours out with any problems? 1. Yes (); 2. No ()
- 14) Within the past 6 month, have you and your family received any help from your neighbours? 1. Yes (); 2. No ()

6. Resident committee and (housing) facilities management company

1. Do you know the manager and deputy manager of your resident committee? 1. Yes (); 2. No ()
2. Do you know the location of your resident committee office? 1. Yes (); 2. No ()
3. How many times in a month do you get in touch with your resident committee ? 1. 0 times

- (); 2. 1 or 2 times (); 3. 3 to 9 times (); 4. 10 times or more ()
4. Have you and your family ever attended the activities organised by your neighbourhood committee? 1. Frequently (); 2. Sometimes (); 3. Never ()
5. How do you rate the services provide by your (housing) facilities management company: 1. Great (); 2. Average (); 3. Poor ()
6. Any problems with the services provided by the (housing) facilities management company? (Can select multiple) 1. Nothing (); 2. Late maintenance work (); 3. Poor estate hygiene (); 4. Poor management of lawn and vegetation (); 5. Poor safety (); 6. General management not up to standard (); 7. Others ()
7. How much do you spend on facilities maintenance fee per month: 1. No payment as I'm renting (); 2. I pay()yuan/month.
8. Do you think the amount you pay is fair? 1. Fair (); 2. So so (); 3. Unfair ()

If you select unfair, what is the reason (Can select multiple): 1. Unfair because the same estate charges the residents different amounts of management fee (); 2. Fees are too high (); 3. Fees are too low (); 4. Others ()

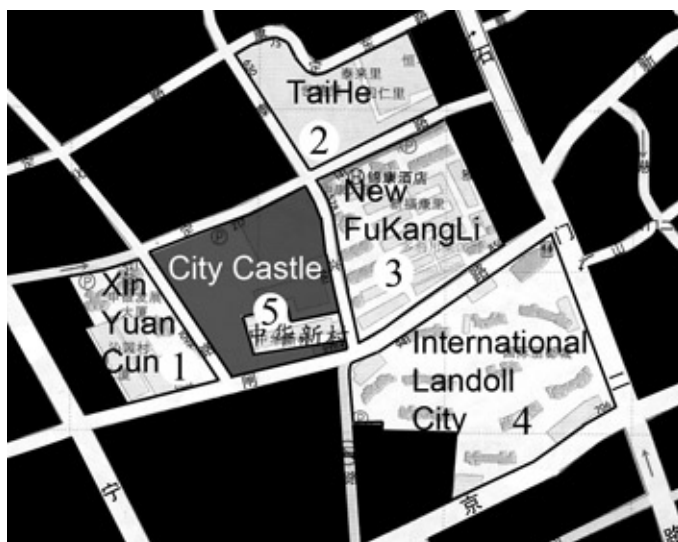
9. How do you rate the following services in your estate?

Services	1. I don't know	2. Very satisfied	3. Satisfied	4. Average	5. Unsatisfied	6. Very unsatisfied
Services for the elderly						
General services for the residents						
Conflict resolution for residents						

10. Do you have an Owners' Committee in your estate? 1. Yes (); 2. No (); 3. I don't know ()

If yes, please answer Q 11-Q 13. If not, please jump to Section 7.

14. Do you know the members of the Owners' Committee ? 1. Don't know any of them (); 2. I know all of them (); 3. I know some of them ()
15. Have you ever attended an Owners' Committee meeting ? 1. Yes (); 2. No ()
16. With the owners' committee in operation, has the management of the estate become more responsive to residents' needs ? 1. Yes (); 2. Can't say for sure (); 3. No ()



On the map, please take a look at the 5 estates in the area that you live in:

No.1= XinYuanCun estate
No.2= TaiHe estate
No.3= New FuKangLi estate
No.4= International Landoll City estate
No.5= City Castle estate

and answer the following questions.

1. Please tick the boxes that applies to you :

Estate number	1.1 How often do you use the shops in and along the streets of these estates?			1.2 How often do you use the public facilities (e.g. parking or exercise facilities) in these estates?			1.3 How often do you interact with the residents in these estates?		
	Often	Some-times	Rarely	Often	Some-times	Rarely	Often	Some-times	Rarely
No. 1									
No. 2									
No. 3									
No. 4									
No. 5									

2. If it is possible, will you be willing to take part in activities together with the neighbours from these neighbourhoods? 1. Yes (); 2. No (); 3. I don't know ()

8. Education

1. Please rate the standard of the kindergartens, primary schools, junior and senior high schools in your *jiedao* (street office) area.

Schools	I don't know	Excellent	Above average	Average	Below average	Poor
Kindergartens						
Primary schools						
Junior high						
Senior high						

2. Do you think that education is important for employment now and the future? 1. Very important (); 2. Important (); 3. So so (); 4. Not so important (); 5. Unimportant ()

3. Do you have a child in the schooling age? 1. Yes (); 2. No ()

If yes, please answer Q 4 and 5 in the box below. If not, please jump to Section 9:

6. Where does your child attend school? 1. in the kindergarten/primary/high schools in my local district (); 2. in the kindergarten/primary/high schools out of my district (); 3. at an International School (); 4. in a Chinese College/University (); 5. Abroad (); 6. Others ()
7. What education level do you wish your child to achieve? 1. High school (); 2. Technical college (); 3. College/university (); 4. Post-graduate studies ()

9. Daily lives and leisure activities

1. How often do you leave your estate/neighbourhood? 1. Everyday (); 2. More than 4 times a week (); 3. Less than 4 times a week (); 4. I hardly ever leave ()

2. The main reasons for you to leave your estate/neighbourhood? (Can select multiple) 1. Work/school (); 2. Grocery shopping (); 3. Purchase non-daily consumables (); 4. Visit friends or family (); 5. For leisure or hobbies (); 6. To visit the doctor (); 7. Others ()
3. The main market that get your groceries from (Please select only 1) ? 1. Traditional Chinese markets near-by (); 2. Small convenient stores/mini-supermarkets near-by (e.g. Lian Hua) (); 3. Large supermarkets (e.g. Carrefour) ()
4. How often do you do grocery shopping: 1. Daily (); 2. Once a week (); 3. A few times a week ()
5. Where do you spend most of your free time (Please select only 1)? 1. At home (); 2. Within my estate/neighbourhood (); 3. Outside of my estate/neighbourhood ()
6. How do you mainly spend your free time (Please select 2)? 1. By myself (); 2. Take part in activities organised by my estate/neighbourhood (); 3. Spend time with my neighbours (e.g. chat, play cards with them etc) (); 4. Spend time with family and friends (); 5. Others ()
7. In the most recent national long holidays e.g. Spring Vacation and WuYi vacations, have you taken long trips by yourself or with your family? 1. Yes, (how many times:) ; 2. No ()

10. Attitudes toward your estate/neighbourhood and perceptions on estate design

- 1) Do you feel proud of your estate? 1. Very proud (); 2. Quite proud (); 3. I have no particular feeling about it (); 4. I feel embarrassed about it ()
- 2) Do you and your family wish to live in this estate/neighbourhood for a long period of time? 1. Yes (); 2. Yes, but only because we have no choice but to stay here (); 3. No ()
- 3) How concerned are you about non-residents venturing into your estate/neighbourhood? 1. Extremely concerned (); 2. Concerned (); 3. I don't really care (); 4. Not concerned (); 5. I welcome them ()
- 4) Do you agree with security measures like fences and guards at the gates to prevent non-residents venturing into your estate/neighbourhood? 1. Highly agree (); 2. Agree (); 3. I don't care about this issue (); 4. Disagree (); 5. Highly disagree ()
- 5) If you can have a new house, do you prefer its design to be: 1. No particular preference, as long as it is practical (); 2. Prefer it to be a 'high standard' neighbourhood recognised by the government (); 3. Prefer it to have elements of Western architectural elements (); 4. Prefer it to have elements of local Chinese architecture (); 5. Others ()
- 6) Do you miss the kinds of neighbourhood interactions in old *lilong* houses or old workers' housing? 1. I don't know because I've never lived in those type of neighbourhoods (); 2. I'm still living in an old *lilong* (); 3. Yes (); 4. No ()
- 7) Do you prefer the layout of your estate/neighbourhood to allow neighbours to: 1. Have more opportunities to see each other (); 2. Be as separate as possible (); 3. I don't care about this issue (); 4. I don't know ()
- 8) How do you prefer the type of residents in your estate/neighbourhood to be (e.g. like income, professional status and educational level)? 1. Similar people (); 2. Of a variety of people (); 3. I don't care (); 4. I don't know ()
- 9) What is your view on the contrasting standards of living in surrounding neighbourhoods (Please select 1 that matches your view most closely)? 1. I don't like the feeling (); 2. This does not concern me as they are beyond the boundaries of my own estate (); 3. There is nothing that I can do about it because it is part of the urban development process (); 4. Others ()
- 10) How do you perceive the relationship between the residents of your own estate and the surrounding estates/neighbourhoods? 1. Very harmonious (); 2. Harmonious (); 3. Average (); 4. Below average (); 5. Not harmonious ()

Thank you very much for your participation

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Note: all the web-sources are contained in the footnotes in the body of the thesis. They have not been reproduced here.

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